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SUMMARY RECORD OF THE 32nd MEETING

Chairman:	Mr. SENGWE	(Zimbabwe)
later:	Mr. ALOM (Vice-Chairman)	(Bangladesh)
later:	Mr. SENGWE (Chairman)	(Zimbabwe)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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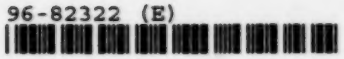

The meeting was called to order at 3.05 p.m.

AGENDA ITEM 121: UNITED NATIONS COMMON SYSTEM (E/1993/119 and Add.1; A/50/30 and Add.1; A/51/30; A/C.5/50/23; A/C.5/51/24 and A/C.5/51/25 and Corr.1)

1. Mr. BEL HADJ AMOR (Chairman of the International Civil Service Commission, introducing the report of the International Civil Service Commission (ICSC) for the year 1996 (A/51/30), drew attention, in connection with the review of the Noblemaire principle, to chapter III of that report and to chapter III.A of the report for the year 1995 (A/50/30) and the addendum thereto (A/50/30/Add.1). A number of studies conducted by the Commission in 1994 and 1995 had culminated in the following conclusions and recommendations: (a) the Noblemaire principle, which had been the basis for determining competitive Professional salaries ever since the time of the League of Nations, remained applicable; (b) in accordance with the Noblemaire principle, in order to be competitive, United Nations system salaries should be compared with those of the national civil service identified as the most highly paid; (c) after comparing the remuneration of the civil services in Germany and Switzerland with that of the current comparator, the United States Federal Civil Service, the Commission had concluded that the German civil service was the most highly paid, but had nonetheless decided that conditions were not suitable for a change in the comparator civil service; (d) a comparison showed that the salary scales of the Organization for Economic Cooperation and Development (OECD) and the World Bank were much higher than those of the United Nations; and (e) since the General Assembly had requested the Commission to study the Noblemaire principle with a view to ensuring the competitiveness of United Nations salaries, the Commission had concluded that the German civil service should ultimately be used as a reference point for managing the margin. In the light of those findings, the Commission recommended an increase in the remuneration for staff in the Professional and higher categories that would restore the margin to 115, the desirable mid-point of the range approved by the General Assembly. That adjustment would reduce imbalances and compression in the scale, in response to the mandate established by the General Assembly in resolutions 47/216 and 48/224.

2. At its fiftieth session, the General Assembly had requested the Commission to reconsider two technical refinements it had introduced in the measurements of the margin: the weighting process used to reflect the comparator's special pay systems in the comparison, and the inclusion of bonuses and performance awards. It had also requested the Commission to clarify its conclusions regarding the highest paid national civil service. At its session in spring 1996, after a careful examination, the Commission had concluded that its decision in favour of the equal weighting approach had been fully justified. It maintained that that was the most effective approach in meeting the competitiveness requirements of the Noblemaire principle; was consistent with the use of dominance reduction elsewhere in the remuneration system; was simple and transparent; and, as a relatively moderate approach among all the weighting methods the Commission had examined, would not distort the comparison process.

3. The Commission had also reaffirmed the validity of its decision regarding the inclusion of some of the comparator's bonuses and performance awards in margin calculations. As the amount of those bonuses and awards was significant, their exclusion would raise issues of equity and validity in the comparison. If

performance bonuses were introduced in the common system -- as the Commission had recommended -- they would be factored into the equation on the United Nations side. Moreover, the Commission's decision should be viewed in the larger context of the Noblemaire review, which aimed to restore the competitiveness of the common system.

4. Following interviews with German officials, it had become apparent that differences could not be eliminated without substantially changing the methodology which had been applied to all potential comparators. Although the German civil service was better remunerated, its situation was uncertain and the Commission therefore did not recommend that the complex process of changing the comparator should be undertaken at the present stage. The situation should, however, be monitored. Those conclusions were set out in an addendum to the Commission's report for the year 1995 (A/50/30/Add.1).

5. At its session in July/August 1996, the Commission had recommended an overall average adjustment of approximately 4.1 per cent, effective 1 March 1997, with actual amounts varying at different points of the scale, in order to meet restructuring requirements. The difference between the 4.1 per cent and the average increase of 9.2 per cent recommended in 1995 was not the result of any change in the margin methodology agreed on by the Commission in 1995. Rather, it was attributable to the increase in November 1995 in the post adjustment at the base city, New York, which had included one-time technical adjustments to the treatment of a number of components of the post adjustment index.

6. The General Assembly now had before it all the elements it needed to take a decision on a matter which was of vital concern to the system. The Commission's studies had all been carried out in a technically rigorous manner, using predefined and approved methodologies; it was to be hoped that the same could be said of any alternative proposals. Despite the financial difficulties experienced by the United Nations and its Member States, the system must be capable of attracting and retaining staff of the very highest calibre. Otherwise, the requirements of the Charter would not be met and the system would lose its raison d'être.

7. In 1996, the Commission had also conducted a comprehensive review of pensionable remuneration and pension entitlements for the Professional and higher categories of staff. No change was recommended in the existing methodology for determining pensionable remuneration for any category of staff. The Commission had also finalized a common staff assessment scale for all categories of staff, which was expected to reduce income inversion. In addition, it had reviewed the levels of the education grant and dependency allowances for staff in the Professional and higher categories and recommended a modest inflation-linked increase.

8. In response to resolution 47/216, ICSC had reviewed the functioning of the mobility and hardship scheme. The Commission had concluded that the scheme was functioning satisfactorily and that the costs were reasonable, and had recommended a minor change in one element of the mobility and hardship matrix. During that review, the Commission had also reconsidered the basis for setting and adjusting hazard pay and had decided that, for staff in the Professional and higher categories, hazard pay should be delinked from the base/floor salary

level and maintained for the time being at its current level. It had taken a number of steps to improve the technical operation of the post adjustment system and to enhance the underlying principle of equity in purchasing power. Cost-of-living survey results had been approved for the seven headquarters duty stations and Washington, D.C. The Commission's working group on the operation of the post adjustment system had held two meetings and received instructions to give priority to identifying elements of pay which should not be adjusted for local inflation. The Commission had begun consideration of a post adjustment index which would reflect the cost of living of all staff assigned to Geneva and would take up the question again in the context of its programme of work for the following year. Finally, the Commission had initiated a review of arrangements for appointments of limited duration.

9. The Commission continued to act with its usual integrity, objectivity and impartiality. As for allegations of politicization, its reports showed that it was independent to a fault. In seeking to reconcile diametrically opposed viewpoints, it always listened to all parties.

10. In conclusion, he said that the Commission would warmly welcome the return of the staff representatives, whose contribution and insights it had always valued highly. Although it continued to brief the staff on all developments, it hoped for the resumption of a more active dialogue.

11. Mr. KITTANI (Special Adviser to the Secretary-General), speaking on behalf of the Secretary-General in his capacity as Chairman of the Administrative Committee on Coordination (ACC), noted that the changing missions of the United Nations organizations had led to an unparalleled expansion in the responsibilities of their staff, including mobility in both function and location and the performance of new and complex tasks, often in insecure living and working environments. More than ever, the Secretary-General and the executive heads of the organizations of the common system required the support of Member States in order to ensure the highest standards of efficiency, competence and integrity, in accordance with the Charter of the United Nations. In that connection, ACC had repeatedly stressed the need to restore competitive conditions of service system-wide in order to attract and maintain staff of the highest calibre.

12. Member States must accord the highest priority to the search for solutions to the financial crisis. Secretariats were sparing no efforts to improve management and contain costs. In a joint statement adopted at the latest session of ACC (A/C.5/51/25), all the executive heads had reaffirmed their individual and collective commitment to pursue the reform effort in order to respond to the changing international environment and the evolving demands of Member States. Far-reaching management reforms were being introduced in the organizations of the system and significant intergovernmental reforms and other organizational changes were being pursued. Flexibility and innovation in staff management would be crucial to the success of those efforts. Restoring competitiveness in conditions of service must be viewed as an integral part of the reform process. ACC was confident that Member States would support those essential efforts.

13. ACC fully endorsed the conclusions of ICSC with regard to the measurement of the margin and the national civil service comparator. It also strongly

supported the Commission's decision to restore the margin of United Nations-United States net remuneration to its desirable mid-point of the range of 110-120. For the second consecutive year, application of the methodology had established a net remuneration which was below the lower limit of the range established by the General Assembly in resolution 40/244.

14. ACC hoped that progress would be achieved in two areas: on the one hand, efficiency, enhanced performance, including managerial performance, and structural and management reform; and, on the other, active pursuit by ICSC of the measures required to restore competitive conditions of service through the rebuilding of the Noblemaire principle. In urging the General Assembly to take action on the ICSC recommendations during the current session, the Secretary-General and his colleagues in ACC reiterated their responsibility for the management of the cost structure in their respective organizations. Every effort would be made to absorb the financial implications of implementing the ICSC recommendations. That would give a clear signal of support for ongoing efforts to retain staff of the highest calibre. By taking action on the recommendations, the General Assembly would also give renewed impetus to the broader processes under way to reform management and maximize efficiency, productivity and cost-effectiveness.

15. At a time of budgetary cutbacks and other measures affecting job security and conditions of service, the concerns of the staff must be articulated at all levels, including that of ICSC. The absence of dialogue with duly recognized staff representatives in the Commission was a major gap and an obstacle to reform of the common system.

16. Mr. Alom (Bangladesh), Vice-Chairman, took the Chair.

AGENDA ITEM 122: UNITED NATIONS PENSION SYSTEM (A/51/9 and Corr.1; and A/51/644; A/C.5/51/4)

17. Mr. CHOTARD (Chairman of the United Nations Joint Staff Pension Board), introducing the report of the United Nations Joint Staff Pension Board (A/51/9), said that it reflected the institutional and operational development of the United Nations Joint Staff Pension Fund as a major autonomous inter-agency entity in the United Nations system and provided considerable information on the global operations of the Fund.

18. Pursuant to requests by the General Assembly, the Board, in close cooperation with ICSC, had carried out comprehensive reviews of the methodology for determining the pensionable remuneration and consequent pensions of staff in the Professional and higher categories and in the General Service and related categories, as well as a review of the special index for pensioners. Other issues addressed in the report included the suspension of benefits in cases of re-employment in a member organization of the Fund for periods of less than six months, entitlement to survivor's benefits for spouses and former spouses, and the possible withdrawal of the Interim Commission for the International Trade Organization/General Agreement on Tariffs and Trade (ICITO/GATT), now the World Trade Organization.

19. Concerning the operations of the Fund, the Pension Board had noted with satisfaction that the Board of Auditors, having examined the accounts of the

Fund, had placed an unqualified opinion on the financial statements of the Fund (A/51/9, annex III). In implementation of previous audit observations and pursuant to General Assembly resolution 49/224, the Secretariat of the Fund had already taken, and had under consideration, a number of measures to strengthen the monitoring and control procedures for the payment of benefits from the Fund. An internal audit function for the Fund had been implemented, as had been recommended by the Board of Auditors and endorsed by the General Assembly; that task was currently being carried out by the Office of Internal Oversight Services. The Board had considered the procurement arrangements for the Fund and had decided to recommend that the General Assembly should request the Secretary-General to continue to make the United Nations machinery for contracting and procurement available to the Fund, and that recommendations emerging from such arrangements should be submitted directly to the Secretary of the Fund for decision. It was important and desirable that the Fund, having reached a level of maturity, should have the necessary independence required to carry out its administrative and financial activities.

20. Turning to the actuarial valuation of the Fund as at 31 December 1995, he noted that the actuarial assumptions used differed from those that had been used in the previous valuation. The most significant changes made for the Regular Valuation were an increase in the assumed real rate of return of the Fund's investments from 3 to 3.5 per cent and reduction in the inflation assumption from 6 to 5 per cent annually, coupled with the use of an explicit assumption as to the cost of the two-track system of 1.9 per cent of pensionable remuneration. Under the Regular Valuation assumptions, the actuarial imbalance had decreased from 1.49 per cent as at 31 December 1993 to 1.46 per cent as at 31 December 1995, a decrease of 0.03 per cent. In assessing the significance to be attached to the actuarial deficit, the Consulting Actuary and the Committee of Actuaries had examined the impact of various elements on the valuation results and had concluded that there continued to be no need to take action to reduce the projected actuarial imbalance at the current time (A/51/9, para. 38).

21. The positive returns on investments during each of the previous 14 years bore ample testimony to the quality of management of the Fund's investments. He drew the Commission's attention to the observations that had been made in the report of the Board of Auditors (A/51/9, annex III) regarding the non-recognition, by some Member States, of the tax-exempt status of the investment income of the Fund. In that regard, the Board had recommended that the General Assembly should renew its appeal to those Member States which had not already done so, to exempt the Fund's investment income from direct taxes.

22. As for the administration of the Fund, the actual administrative costs for the biennium 1994-1995 had amounted to $12.4 million, which represented 0.81 per cent of the benefit payments. The Committee of Actuaries had noted that that percentage compared favourably with the administrative costs incurred by other pension plans and social security systems; that was particularly significant considering the size, worldwide scope and administrative complexity of the United Nations pension plan. The Fund's budget for the biennium 1996-1997, as approved by the General Assembly in 1995, had not included some of the staffing proposals for the Investment Management Service (IMS), pending further review by the Board. At its July 1996 session, the Board had decided to recommend approval of two new posts at the P-5 level and conversion of four temporary posts to established posts (A/51/9, para. 330). In the absence of a

consensus on the issue of the reclassification of the post of Chief of IMS, the Board had decided to revert to the matter at its next session. It had also approved additional resources for investment custodial fees, based on the contractual linkage of those fees to the market value of the Fund's investment portfolio. Additional resources had also been requested under administrative costs, amounting to $463,000 at 1996 rates, to meet, inter alia, the estimated costs of adapting and enhancing the Fund's computer operations in conjunction with the shifting of the United Nations mainframe operations from the New York Computer Service to the International Computing Centre in Geneva (A/51/9, para. 319). The additional resources of approximately $1.2 million that had been requested in the supplementary estimates would be chargeable directly to the Fund and would have no direct impact on the United Nations programme budget. Despite those expenses, administrative costs remained very low in relation to the size of the Fund's operations.

23. Although in the comprehensive reviews of the pensionable remuneration and consequent pensions of staff in the Professional and higher categories and in the General Service and related categories, differences of opinion had arisen within the Board and ICSC, as well as between the two bodies, with respect to certain aspects of the pensionable remuneration methodologies, there had been general agreement to continue the current income replacement approach and the methodologies related thereto. The only changes which had been recommended in the current arrangements related to the development of a common scale of staff assessment for pensionable remuneration purposes, to be applied in respect of all staff (paras. 152 to 159). In that regard, the full cooperation between ICSC and the Board must continue so as to ensure a harmonious future evolution. It was therefore vital that the Commission should take into account the observations and conclusions of the Board on the various technical issues on which its competence was fully recognized.

24. With regard to the pension adjustment system (A/51/9, chapter VII), the Board had noted with satisfaction that the actual emerging costs of modifications to the two-track pension adjustment system had remained in line with the initial cost estimates presented to the General Assembly. Both ICSC and the Board had concluded that no change should be made at the current time in the procedures for the calculation of the special index for pensioners. After considering an extensive analysis of the issue of variations in pension amounts under the local currency track according to dates of separation, the Board had agreed with its Secretary that such variations were unavoidable and that any attempt to control them would not only be costly but would also complicate the already highly complex pension adjustment system. It had also decided to defer consideration of a possible change in the method for determining cost-of-living adjustments of pensions in award because of the cost implications at a time when the fund continued to have a long-term actuarial imbalance. The Board had also decided to recommend two changes in the pension adjustment system related to the determination of local currency track pension amounts in countries such as Argentina, Brazil and Uruguay where significant changes had been introduced in the relationship between the local currency and the United Nations dollar. The Board had decided to recommend a special measure for application in such cases, as described in paragraphs 204 to 213 and in annex XV to its report. The Board had also decided to recommend a revision of paragraph 26 of the pension adjustment system to provide greater specificity in setting criteria under which the local currency track pension amounts might be discontinued.

25. Referring to problems related to the implementation of the Transfer Agreements between the United Nations Joint Staff Pension Board and the Governments of the former Union of Soviet Socialist Republics, Ukrainian Soviet Socialist Republic and Byelorussian Soviet Socialist Republic (A/51/9, chapter VIII), he said that, over the past five years, the Fund had received complaints from former participants covered by the three Transfer Agreements that, contrary to the terms of those Agreements, transferred pension rights in the Fund had not led to increases in their pension benefits under the applicable national pension or social security schemes. At the request of the Board, the Secretary had initiated contacts with the Governments concerned to determine the extent to which the problems that had arisen could be resolved. Only the Permanent Mission of the Russian Federation had responded to requests to designate a contact person for discussions. The talks had ultimately led to an agreement to follow a step-by-step approach in addressing the concerns of all former Fund participants in the former Soviet Union, Ukrainian Soviet Socialist Republic and Byelorussian Soviet Socialist Republic, covering not only those who had entered the Fund on or after 1 January 1981, but also those who had entered the Fund before that date. The proposed agreement between the Board and the Russian Government would provide periodic pensions to a defined and limited group of former participants in the Fund who were Russian citizens and who met other eligibility criteria. The cost of the prospective periodic pensions would be met by the Russian Government through payments to the Fund, in ten instalments, to cover the actuarial costs involved; if payments were not made according to the terms of the proposed agreement, its implementation would be suspended. The proposed agreement was a first step towards a comprehensive resolution of the concerns of former participants in the Fund who were nationals of the various States which had formerly been part of the Soviet Union. The Board hoped that, in its resolution on the United Nations pension system, the General Assembly would address the importance of taking further steps in respect of those former participants who had not been covered by the first proposed agreement, including those from countries other than the Russian Federation. He urged the Governments of the other States concerned to enter into discussions with a view to concluding similar agreements with the Board.

26. With reference to the General Assembly's request to the Board that it should examine the possibility of suspending pension benefits in cases of re-employment in a member organization of the Fund for periods of less than six months (A/51/9, paras. 252-261) he said that, in the absence of detailed background information and precise objectives, the Board had assumed that the General Assembly had wished it to consider possible alternative formulations for article 40 of the Fund's Regulations, without modifying the provisions concerning eligibility for entry into the Fund under article 21 of the Regulations. Some members had expressed concern over the possibility of using the Fund's Regulations, which applied to all 23 of its member organizations, to impose United Nations policy objectives and perspectives on the other member organizations. It had also been noted that there were major administrative obstacles to using the Fund as a means of controlling any system of re-employment of former participants in the Fund. While problems related to an employment policy could not be redressed through a social security policy, concern had been expressed over continuing abuses in the re-employment of retirees in certain member organizations of the Fund. Representatives of some governing bodies had therefore suggested that a provision should be included in the current article 40 of the Regulations of the Fund which would recognize that

the employing organization might require a former participant in receipt of a benefit from the Fund to agree to request, as a condition of employment, that the Fund should temporarily suspend or otherwise limit the payment of the pension during the period of re-employment. Such an arrangement, if pursued, would place responsibility for the enforcement of the measure on the employing organization rather than on the Fund. The Board had decided to defer further consideration of the possible amendment to article 40 pending consideration and action by the General Assembly on the report on the re-employment of retirees which it had requested the Secretary-General to submit at the current session. He hoped that, in its resolution on the United Nations pension system, the General Assembly would address some of the parameters which the Board should take into account, such as the minimum period of re-employment which would give rise to the suspension of a pension benefit.

27. With regard to the provisional application for membership in the Fund from the International Tribunal for the Law of the Sea, the Board had recommended approval of the application, subject to confirmation that the Tribunal participated in the common system of salaries and other conditions of service of the United Nations and its specialized agencies (A/51/9, para. 304). The Board had further decided to delegate to the Standing Committee the consideration, in 1997, of a possible application from the International Seabed Authority for membership in the Fund, and to formulate its recommendation to the General Assembly at its fifty-second session (para. 305).

28. In conclusion, he said that the matters requiring action by the General Assembly were: amendments to article 28, paragraphs (d) and (g), of the Regulations of the Fund; changes in the pension adjustment system, as set out in annex XV to the report; concurrence with the proposed agreement between the Russian Federation and the United Nations Joint Staff Pension Board; a request to the Secretary-General to continue to make United Nations machinery for contracting and procurement available to the Fund; approval of the admission to membership in the Fund of the International Tribunal for the Law of the Sea; approval of the additional staffing and other resources recommended by the Board in respect of the administration of the Fund, including the investment operations; and renewal of the request of the Member States which did not currently grant tax exemptions for the investments of the Fund to do so as early as possible.

29. Mr. Sengwe (Zimbabwe) resumed the Chair.

30. Mr. CONNOR (Under-Secretary-General for Administration and Management), introducing the report of the Secretary-General on the investments of the United Nations Joint Staff Pension Fund for the period from 1 April 1994 to 31 March 1996 (A/C.5/51/4), said that, since the purpose of the Fund was to seek retirement benefits for its participants, management of the Fund's investments continued to be guided by the principles of safety, profitability, liquidity and convertibility.

31. With regard to the economic and investment conditions that had prevailed during the period under review, most economies in the major regions had continued to undergo structural reforms aimed at liberalizing trade and investment and reducing budget deficits. By historical standards, worldwide inflation had been low, but the financial markets had been very volatile. Many

of the major stock markets in the world had reached record high levels during the period under review because of declining interest rates and strong cross-border capital flows.

32. As for the investment performance of the Fund, the market value of the Fund's assets had increased by 24 per cent to $15,539 million as at 31 March 1996. Total investment return for the year to 31 March 1995 had been 8.7 per cent, representing a real rate of return of 5.6 per cent after adjustment by the United States consumer price index. For the year ended 31 March 1996, the real rate of return had reached an all-time high of $17,005 million, representing an annualized increase of 15.2 per cent since 31 March 1996.

33. Both the investment returns and the Fund's investment strategy should be viewed from a long-term perspective. Short-term investment results, which were largely influenced by the volatility of the financial markets, were not in themselves particularly meaningful. Investment diversification was another important strategy for reducing risk and improving returns over long periods of time. The Fund's investments were diversified not only by geographical region by also by currency, a policy which was aimed at protecting the Fund against the uncertainties and volatility of the financial market.

34. The Secretary-General continued to implement the resolutions of the General Assembly by investing in developing countries in accordance with established investment criteria. As at 30 June 1996, direct and indirect investments in developing countries accounted for 14.8 per cent of the Fund's assets at book value. Approximately 41 per cent of those holdings were denominated in currencies other than the United States dollar.

35. For many years the Fund had been served by a single global institutional adviser. In section VII of resolution 49/224, however, the General Assembly had requested the Secretary-General to review the arrangements for the provision of institutional advice. In response, the Secretary-General had conducted a worldwide competitive bidding to identify one or more advisers to provide the Investment Management Service with research, economic analyses and analyses of securities, markets and sectors. Eleven institutions had submitted acceptable responses within the deadline, and the Secretary-General had approved three of them - one in the United States, another in Europe and a third in the Asia and Pacific region - to provide the Fund with non-discretionary advice. The new advisers were well-established, highly reputable and financially sound institutions with expertise in the markets in which the Fund had investments.

36. One area of some concern, however, was the need for more resources to ensure the most effective management of the Fund's investments, particularly in view of the sophistication and volatility of the financial markets. The current in-house staff of the Investment Management Service consisted of 24 individuals; nine were at the Professional level but only six were actively involved in making investment decisions. Given the tremendous responsibility involved (millions of dollars were handled on a daily basis), the level of staffing was extremely low. He therefore hoped that the Committee would review the staffing arrangements to permit the early implementation of the recommendations of the Office of Human Resources Management in that connection.

37. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee on the United Nations pension system (A/51/644), said that the Advisory Committee shared the view of the Board, as stated in paragraph 51 of the Board's report (A/51/9), that the results of the valuation, as at 31 December 1995, were satisfactory. However, in the light of the actuarial situation of the Fund, the Advisory Committee believed that, at the current juncture, a cautious approach should be taken with regard to any further improvement in benefits that might lead to a review in the rate of contributions. With regard to the interest (discount) rate applicable to lump-sum commutation of periodic benefits under article 28 (g) of the Regulations of the Fund, the Advisory Committee was of the view that caution should be exercised so that any change in the current interest rate did not further increase the actuarial imbalance.

38. With regard to the investments of the Pension Fund, given the uniqueness of the Fund's portfolio and its requirement to minimize investment risk, the establishment of a benchmark to compare the Fund's performance must be done with caution and the approach followed must take into account the criteria of safety, profitability, liquidity and convertibility, principles which had been repeatedly advocated by the Advisory Committee, the Pension Board and the General Assembly.

39. On the subject of membership of the Investments Committee, the Advisory Committee wished to recall the principle that, as in the case of membership of other expert committees, no two members should be nationals of the same State, and the members should be selected on the basis of broad geographical representation, personal qualifications and experience. The Advisory Committee had requested the Secretary-General to report to the General Assembly on the application of that principle to the membership of the Investments Committee.

40. Turning to the financial statements of the Fund and the report of the Board of Auditors, he said that the Advisory Committee welcomed the measures taken by the Secretary of the Board to strengthen the verification process and hoped that those measures would be implemented in a cost-effective and pragmatic manner.

41. On the subject of pensionable remuneration, the Advisory Committee noted that the Board had agreed to recommend that the General Assembly should maintain the use of the 46.25 per cent grossing-up factor for staff in the Professional and higher categories and 66.25 per cent of the net pensionable salary for grossing-up purposes applicable to the General Service staff and related categories. On the question of the development of a common scale of staff assessment, the Advisory Committee shared the views expressed by the representatives of the governing bodies represented on the Board to limit, in the current time of budget stringencies, potential additional costs to Member States that might result from the proposals under consideration.

42. Paragraphs 284 to 300 of the Board's report (A/51/9) dealt with the possible withdrawal of the Interim Commission for the International Trade Organization/General Agreement on Tariffs and Trade (ICITO/GATT) from membership of the fund. The Advisory Committee viewed that possibility with regret and recommended that the General Council of the World Trade Organization (WTO) should take into account the potentially serious implications of a withdrawal from the Fund prior to reaching a decision on the matter.

43. On the subject of administrative expenses, the Advisory Committee noted that the Investment Management Service had experienced difficulty in recruiting and retaining high-quality staff and it proposed to revert to that issue in the context of its examination of the administrative budget of the Fund for the biennium 1998-1999. The Advisory Committee had no objection to the Board's decision, pursuant to article 15 (b) of the Regulations of the Fund, to submit revised estimates for the biennium 1996-1997, amounting to $41,395,500.

44. Mr. BOGAYEVSKIY (Ukraine) said that his delegation would welcome clarification regarding certain aspects of the implementation of the Transfer Agreements between the United Nations Joint Staff Pension Board and the former Union of Soviet Socialist Republics, Ukrainian Soviet Socialist Republic and Byelorussian Soviet Socialist Republic.

45. Recalling the statement by the Secretary of the Pension Fund that the ideal solution to the problems that had arisen in the implementation of the Transfer Agreements would involve the return to the Pension Fund of the sums credited to the State budget of the Soviet Union and the full re-establishment of pension rights in the Fund, he wondered whether all the possibilities had been explored for reaching that solution. The proposed agreement between the Government of the Russian Federation and the Board did not re-establish the pension rights of former participants. It would be interesting to know the legal basis on which the Board had participated in that arrangement and whether there were any contradictions between the provisions of the proposed agreement and the Fund's regulations or administrative rules.

46. The termination of the Transfer Agreement with the former USSR, which was envisaged in the proposed agreement between the Government of the Russian Federation and the Board, led directly to the elimination of a legal instrument contained in all three Transfer Agreements. The Secretary of the Board had expressed the hope that Ukraine and the other States concerned would be prepared to reach similar agreements with the Pension Board. In that connection, he wondered whether the letter and spirit of the proposed agreement between the Government of the Russian Federation and the Board were consistent with article 24 of the Vienna Convention on the Law of Treaties.

47. He also wondered whether the Fund recognized that the Russian Federation was fully responsible for the comprehensive resolution of the problems which had arisen in connection with the implementation of all three Transfer Agreements and should therefore return the appropriate amounts to the Fund.

48. Finally, his delegation would welcome information on the number of former participants in the Fund who were not citizens of the Russian Federation and in which Member States they resided. It would also be useful to know the legal basis for the decision to include in the provisional list of former participants in the Fund who were covered by the proposed agreement with the Russian Federation of four Russian citizens who had transferred their pension rights under the Agreement between the Board and the Ukrainian Soviet Socialist Republic.

AGENDA ITEM 116: PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997 (continued)

Revised estimates resulting from resolutions and decisions of the Economic and Social Council at its organizational and substantive sessions of 1996 (A/C.5/51/20)

49. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), orally introducing the report of the Advisory Committee on the revised estimates resulting from resolutions and decisions of the Economic and Social Council at its organizational and substantive sessions of 1996, said that the Advisory Committee had noted that, according to the report of the Secretary-General (A/C.5/51/20), the requirements were $501,000 under section 13, and $595,000 under section 14. The Advisory Committee had been informed that the additional conference-servicing requirements would amount to $110,100.

50. With regard to the requirements relating to consultants, the Advisory Committee had been informed that three work months at the P-3 level had been estimated under section 13 in relation to resolution 1996/26, at a cost of $18,000; four work months at the P-3 level under section 13 in relation to resolution 1996/27, at a cost of $24,000 for remuneration and $4,500 for travel costs; 14 work months at the P-3 level under section 13 in relation to resolution 1996/28, at an estimated cost of $84,000 for remuneration and $29,500 for travel costs; and 3 work months of consultancy at the P-4 level under section 14, at an estimated cost of $23,400 for remuneration and $12,600 for travel costs.

51. The Advisory Committee recommended that, at the current stage, the Fifth Committee should take note of the estimate of $501,000 under section 13, and of $595,200 under section 14, on the understanding that such additional appropriations as might be necessary would be determined in accordance with the procedures for the use and operation of the contingency fund, taking into account the results of the first performance report on the programme budget for the biennium 1996-1997.

52. In addition, the Advisory Committee believed that certain activities, such as the maintenance of the central repository for information and documentation in relation to the implementation of the Naples Political Declaration and Global Action Plan against Organized Transnational Crime, which was to be updated on a yearly basis, might be of a continuing nature and would therefore need to be integrated into the relevant programmes of work under the programme budget for the biennium 1998-1999.

53. Mrs. RODRÍGUEZ ABASCAL (Cuba) said that her delegation believed that the Committee was in a position to take a decision on the revised estimates contained in document A/C.5/51/20 in accordance with the budgetary procedures set out in General Assembly resolutions 41/213 and 42/211. The Secretariat had not strictly followed established budgetary procedures and, in document A/C.5/51/20, had prejudged the decision to be taken by Member States.

54. Mr. KELLY (Ireland), speaking on behalf of the European Union, said that the European Union intended formally to request, in all the main Committees, that their consideration of all programme budget implications and revised estimates to be submitted in the coming weeks should be guided by the need to abide strictly by the budgetary procedures contained in annex I to General

Assembly resolution 41/213 and in the annex to General Assembly resolution 42/211, procedures which had been repeatedly reaffirmed by the General Assembly. The European Union would also make a formal request for the submission of a statement of programme budget implications before any action was taken on draft resolutions giving rise to financial implications. It was for the Fifth Committee to take action on such matters, and in that connection, he cited paragraph 9 of annex I to General Assembly resolution 41/213.

55. Documents A/C.5/51/20 and A/C.5/51/21 contained revised estimates which, if the Committee so decided, could be dealt with in the context of the revised appropriations which it would be requested to act upon once it had considered the first performance report. However, in the interests of budgetary discipline, he suggested that all statements of programme budget implications should be dealt with together rather than piecemeal. The Committee should also set a deadline for the consideration of statements of programme budget applications and proposals for revised estimates, as called for in section C, paragraph 5, of the annex to General Assembly resolution 42/211, so that it would know precisely what the demands on the contingency fund were likely to be.

56. He asked the Controller how much of the contingency fund for the biennium 1996-1997 remained to be committed and whether the Secretariat could indicate what additional financial requirements were expected to arise from the statements of programme budget implications to be submitted in the coming weeks. Even a tentative figure would be useful.

57. Mr. GELBER (United States of America) said that, with certain minor exceptions, his delegation endorsed the position of the European Union. He fully agreed that the Committee should have all the programme budget implications before it prior to taking any decisions, in order to be able to assess competing demands for resources and make an informed decision on priorities.

58. Mr. TOYA (Japan) said that the revised estimates resulting from resolutions and decisions of the Economic and Social Council needed to be carefully examined. His delegation attached great importance to activities in the area of crime control and international drug control, in particular, follow-up action on firearms regulation for the purpose of crime prevention and public safety, and believed that the budget for those activities should be given high priority in the context of the revised appropriations to be considered after the review of all relevant reports, including the first performance report for the biennium 1996-1997.

59. Mr. SAENZ (Costa Rica), speaking on behalf of the Group of 77 and China, emphasized the importance of the budgetary procedures set out, in particular, in General Assembly resolutions 41/213 and 42/211, and said that the revised estimates contained in documents A/C.5/51/20 and A/C.5/51/21 should be financed from the contingency fund.

60. Mr. TAKASU (Controller) assured the Committee that the Secretariat had not deviated from the established budgetary procedures. The revised estimates relating to the Economic and Social Council clearly called for the use and operation of the contingency fund.

61. The contingency fund had, since its establishment, been set at 0.75 per cent of the preliminary budget estimates for each biennium; for the biennium 1996-1997, the figure was $20.6 million, of which $1.2 million had been used thus far. In resolution 50/216, the General Assembly had taken note of the fact that a balance of $19,427,000 remained in the contingency fund. The fund was a mechanism which enabled the General Assembly to provide the Secretary-General with resources, within certain limits, to implement legislative mandates not provided for in the proposed programme budget. He cited the provisions of paragraphs 8 and 9 of annex I to General Assembly resolution 41/213 and pointed out that it had always been possible in the past to accommodate additional expenditures from the resources available within the contingency fund and that that was expected to be the case for the current year. General Assembly resolution 42/211 very clearly set out the procedures for the use and operation of the contingency fund; he referred, in particular, to paragraphs 5 and 6 of the annex to that resolution.

62. In the case of the report by the Secretary-General in document A/C.5/51/20, the Committee was not being asked to take action on a statement of programme budget implications, which were issued pursuant to rule 153 of the rules of procedure of the General Assembly. Rather, the Advisory Committee was recommending that the Committee should take note of the revised estimates, on the understanding that any additional appropriations required would be determined in accordance with the procedure for the use and operation of the contingency fund and in the light of the results of the first performance report on the programme budget for the biennium 1996-1997. If the Committee decided to defer the consideration of all programme budget implications until a consolidated statement of those implications or of revised estimates had been prepared, the General Assembly would be unable to finish its work. The course of action recommended by the Advisory Committee would leave the decision-making and negotiation process in the hands of the Fifth Committee.

63. The additional financial requirements arising from statements of programme budget implications expected to be submitted in the coming weeks represented only one aspect of the budgetary issues on which the Committee would have to take action before the end of the current session. Those issues also included the initial appropriations for the contingency fund for 1997, political mandates which had already been authorized and those which were still to be authorized, unforeseen expenses for 1996, and recosting. Some of those issues had been covered in the first performance report for 1996-1997, while others had not.

64. Mr. GELBER (United States of America) said that, although he was grateful to the Controller for his lucid explanation of the operation of the contingency fund, he continued to believe that the Committee should defer action on the Advisory Committee's recommendation until it had a complete picture of the budgetary requirements in respect of all statements of Pension Fund budget implications, so that it would assess priorities. To proceed otherwise would be irresponsible.

65. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) pointed out that the Advisory Committee was not recommending the authorization of an appropriation, but simply, that the Committee should take note of the Secretary-General's proposals. That procedure had been followed in the past with regard to the decisions and resolutions of

the Economic and Social Council. There was currently no draft resolution before the General Assembly awaiting a recommendation from the Fifth Committee on the estimates involved. The Committee would have an opportunity at a later stage to negotiate the issues relating to financing and the priority allocation of resources.

66. If the Committee were to await all the statements of programme budget implications that were forthcoming from the Main Committee before taking action on any of the statements, the General Assembly's work would be seriously delayed.

67. Mr. GELBER (United States of America) said that he required additional time to consult with his Government on the matter.

The meeting rose at 6.05 p.m.

UNITED NATIONS

General Assembly

FIFTY-FIRST SESSION

Official Records

FIFTH COMMITTEE
33rd meeting
held on
Wednesday, 27 November 1996
at 10 a.m.
New York

SUMMARY RECORD OF THE 33rd MEETING

Chairman: Mr. SENGWE (Zimbabwe)

later: Mr. STEIN (Germany)
(Vice-Chairman)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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The meeting was called to order at 10.20 a.m.

AGENDA ITEM 140: ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACEKEEPING OPERATIONS (continued) (A/48/622 and A/48/912; A/49/654, A/49/906 and Corr.1 and A/59/936; A/50/684, A/50/797, A/50/907, A/50/965, A/50/976, A/50/983, A/50/985, A/50/995, A/50/1009 and A/50/1012; A/51/389 and A/51/646; A/C.5/50/51; A/C.5/51/8)

1. Mrs. RODRIGUEZ ABASCAL (Cuba) said that the critical financial situation of the Organization was having an adverse impact on peacekeeping operations, in particular on troop and equipment contributors. The burden on contributors, particularly developing countries, was increasing to such an extent that their debts to the Organization were frequently much less than the Organization's debts to them.

2. The real solution lay in the payment of assessed contributions in full, on time and without conditions. Her delegation rejected the unilateral decision by the major contributor to reduce its contribution to peacekeeping operations to 25 per cent; that decision made the position of troop contributors even more untenable.

3. The indiscriminate use of gratis personnel by the Department of Peacekeeping Operations, where they accounted for more than 50 per cent of the staff, was disquieting. Such a practice could not be used to resolve the Department's financial difficulties and represented a departure from Article 100 of the Charter. Such staff, who were mostly from developed countries, had a negative impact on geographical and political balance. Her delegation shared the concern expressed regarding their influence on policy-making, the negative impact on the Organization's institutional memory, and the adverse effect on the morale of the regular staff.

4. Member States, in approving a certain level of activities, must be willing to finance those activities through the budget. Should that not occur, the Department of Peacekeeping Operations must adjust its activities to the level of resources allocated to it. The Secretariat should submit an assessment of the Department's real needs in the upcoming report on the support account.

5. In view of the concern expressed previously, she regretted that the report on gratis personnel provided by Governments and other entities (A/51/688) had been issued so late. The Secretariat should freeze the use of gratis personnel at current levels until the General Assembly could take a decision on the basis of the Secretary-General's report.

6. Lastly, her delegation supported the request by Zambia that it should be reclassified from group (c) to group (d) for the assessment of peacekeeping expenditures.

7. Mr. ZEE Yoong Kang (Singapore) said that his delegation welcomed the new procedures on reimbursement for contingent-owned equipment; the new formula would more realistically compensate Member States for their contributions to international peace and security.

8. The current ad hoc system of death and disability benefits, which gave some troop contributors 20 times the amount received by others, was a serious departure from the principle of equal treatment of Member States. It was alarming that more than 70 per cent of fatalities in 1995 had been sustained by contingents from less developed countries. While his delegation was not suggesting that that was due to the current system of benefits, or that troops from developing countries had been deliberately deployed for more dangerous activities, death and disability benefits should not be such as to make it systematically less costly for some contingents to undertake more hazardous operations.

9. The gap between the highest and lowest rates of compensation should be narrowed. He endorsed the position of the Non-Aligned Movement that there should be a uniform scale. While some had argued in favour of giving troop contributors equal real, rather than nominal, compensation, one solution might be to establish a uniform rate, plus a small, variable component, reflecting cost differences between countries. In that regard, option 1 in paragraph 12 of the Secretary-General's report (A/49/906) could serve as an interim measure, pending the establishment of a uniform scale of compensation.

10. The burden of compensation should be borne by the United Nations and not by commercial insurers. Transferring the risks of insurance to private companies would only increase costs to Member States, and the reluctance of commercial insurers to provide coverage for risky peacekeeping operations was a further complication that might delay the start-up phase.

11. His delegation recognized that, at a time of budgetary stringency, the contribution by Member States of gratis personnel was a useful way of ensuring the effective functioning of the Department of Peacekeeping Operations. Nevertheless he shared the concern that gratis personnel should not outnumber personnel funded by the regular budget or the support account to an excessive degree. Due regard should also be given to equitable geographical distribution in the appointment of gratis personnel, especially since they comprised almost all the staff of some units. In addition, of the 115 gratis personnel in the Department of Peacekeeping Operations, only 24 were from developing countries, many of them in junior positions. The appointment of gratis personnel to the Department must be transparent, and all Member States must be invited to provide such personnel at all levels.

12. Lastly, his delegation was concerned over the continued reluctance of the Committee to consider the placement of the Czech Republic and Slovakia in the appropriate peacekeeping groups; that should be done as soon as possible. It also supported a quick decision on the relocation of Zambia to the appropriate group.

13. He hoped that no delegations, least of all those with ample capacity to pay, would attempt to take advantage of the problems faced by those three States to advance their own narrow agendas. There was no link between their placement in appropriate groups and the broader question of reform.

14. Mr. NADEEM (Pakistan) said that the delay in the issuance of the report on gratis personnel (A/51/688) should not prevent its consideration as soon as

possible. The Committee should hold a formal meeting as soon as the Advisory Committee's comments were available.

15. Mr. MOKTEFI (Algeria) said that his delegation was amazed by the information provided in the report. The use of gratis personnel raised issues of policy and equitable geographical distribution, had an impact on the international civil service and the responsibility of Member States, and also had financial implications. The issue must be considered forthwith with a view to devising measures to resolve what was a very serious problem.

16. The CHAIRMAN said that it would be helpful for the Committee to have the comments of the Advisory Committee in accordance with its normal procedure.

17. Mr. KELLY (Ireland), speaking on behalf of the European Union, said that it was important to follow the proper procedure. The report on gratis personnel had not yet even been introduced and the Committee must have a full and proper report from the Advisory Committee, pending which the Committee should defer its consideration of the question.

18. Mr. ZHOU Fei (China) said that his delegation agreed with the representative of Pakistan. The use of gratis personnel gave serious cause for concern. In view of the urgency of the matter, it should be addressed as soon as possible. His delegation supported the request by Zambia that it should be relocated from group (c) to group (d).

19. Mr. SULAIMAN (Nigeria) endorsed the statement made by the representative of Pakistan.

20. Mr. ODAGA-JALOMAYO (Uganda) associated his delegation with the concerns expressed, in particular the statement by the representative of Ireland on behalf of the European Union. The report must be introduced and considered before the end of the regular session.

21. The CHAIRMAN said that he would inform the Chairman of the Advisory Committee of the Fifth Committee's concerns.

22. Mr. MOKTEFI (Algeria) said that his earlier statement had not been intended as calling for a departure from the normal procedure, but merely as a preliminary expression of concern.

23. Mr. NOUR (Egypt) said that the question of gratis personnel was of great interest to his delegation. It must be dealt with quickly, a point that should be borne in mind by the Advisory Committee.

24. Mr. MUCHANGA (Zambia) endorsed the statement made by the representative of Pakistan. The matter was urgent, notwithstanding the need to follow proper procedure.

25. His delegation appreciated the support for its request for relocation from group (c) to group (d), and wished to know how matters would now proceed to ensure that the issue was dealt with at the current session.

26. The CHAIRMAN said that he would provide appropriate clarification at the conclusion of consideration of the item.

27. Mr. FARID (Saudi Arabia) supported the statements made by the representatives of China, Egypt, Pakistan, Uganda and Algeria.

28. Mr. TAKASU (Controller) said that the Secretariat appreciated the concerns of delegations on the use of gratis personnel. Additional information had been circulated. Member States would have an opportunity to address the important policy issues in due course.

29. Ms. DUSCHNER (Canada) said, with respect to the travel of gratis military officers, that her delegation would welcome an explanation of why their travel costs were regarded as a cost of having gratis military officers and not as a normal cost incurred by the Organization if staff members travelled instead.

30. With respect to the report on contingent-owned equipment (A/50/995, annex E), she asked for clarification of how the proposed charges represented greater clarity and consistency with the Phase III Working Group. The proposed amendments seemed to reflect a substantive policy change and, since there was no legislative basis, she questioned how the Secretariat could ensure that they would be reflected in the final version of the text of the agreement.

31. Mr. ODAGA-JALOMAYO (Uganda) said that his delegation would also welcome clarification regarding the travel costs of gratis military officers. Moreover, his delegation had not received answers to its earlier questions.

32. The CHAIRMAN said that answers to the points raised by the representatives of Canada and Uganda would be provided by the Department of Peacekeeping Operations in due course.

AGENDA ITEM 116: PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997 (continued)

Revised estimates resulting from resolutions and decisions of the Economic and Social Council at its organizational and substantive sessions of 1996 (A/C.5/51/20)

33. The CHAIRMAN drew attention to the text of a draft decision which had been circulated following informal consultations, according to which the Committee would make the following recommendation to the General Assembly:

"The General Assembly,

"Takes note of the estimate of $501,000 under section 13, and of $595,200 under section 14, on the understanding that such additional appropriations, as may be necessary, will be determined in accordance with the procedures for the use and operation of the contingency fund, taking into account the results of the first performance report on the programme budget for the biennium 1996-1997".

34. Mr. GELBER (United States of America) said that, for reasons well known to the Committee, his delegation could not accept the draft decision. It urged that all matters connected with additional appropriations should be taken up

together when all the statements of programme budget implications and the first performance report were available. The Committee must remain within the terms of resolution 50/215 and the appropriations of $2,608 million for the biennium.

35. Mr. ODAGA-JALOMAYO (Uganda) said that resolution 50/215 should not be viewed in isolation but in conjunction with resolution 50/214; both those texts endorsed resolution 41/213 on the budgetary procedures to be followed. The draft decision was consistent with those procedures and had his delegation's support.

36. Mrs. RODRÍGUEZ ABASCAL (Cuba) said that her delegation fully supported the Ugandan position. On the matter under discussion, it had already stated that the budgetary procedures had not been strictly followed. It had differed from the recommendation of the Advisory Committee because it believed that it was not necessary to await the performance report before deciding to use the contingency fund. Having listened to the comments of the representative of the United States, her delegation drew attention to what had been stated at the previous meeting about the Committee's approval of resolutions adopted by other committees. The President of the General Assembly had also urged all the Main Committees to complete their work by 17 December; if the Committee were to delay taking a decision, it might disrupt the work of the General Assembly. Her delegation would like to know when the Secretariat intended to submit the first performance report on the programme budget for the biennium 1996-1997. She believed, however, that the Committee was already in a position to adopt the draft decision.

37. Ms. PEÑA (Mexico) said that her delegation had no problem with the adoption of the draft decision. It would be strange if the Committee could not proceed to adopt a draft decision which only "took note" of the estimates. Her delegation was also concerned about the comment made by the Controller at the previous meeting concerning the difference between revised estimates for the Economic and Social Council and statements of programme budget implications. It would be paradoxical if, at a time when efforts were being made to improve the efficiency of the General Assembly, the attitude of a few delegations caused it to waste even more time. Her delegation was ready to consider any compromise solution which respected the financial procedures adopted by the General Assembly in resolutions 41/213 and 42/211.

38. The CHAIRMAN said that the issues were clear with respect to the established procedure outlined by the Controller at the previous meeting, and to the difference between revised estimates and statements of programme budget implications. The Committee might make matters more difficult for itself if it created linkages to other items.

39. Mr. NOUR (Egypt) said that his delegation supported the draft decision and saw no reason to delay its adoption. The representatives of the European Union and the Group of 77 had stressed the importance of the General Assembly resolutions on financial procedures at the previous meeting, and his delegation had occasion to express the same concerns as the representative of Mexico regarding the efficiency of the Committee's deliberations.

40. Mr. HANSON (Canada) said that his delegation agreed with the Controller as to the difference between revised estimates and programme budget implications.

It should be remembered that the Economic and Social Council was not waiting on action by the Committee, for it had already adopted its decisions. The draft decision only "took note" of the resulting revised estimates, and any decision on additional appropriations would be taken later. His delegation therefore had no objection to the adoption of the draft decision.

41. Mr. ZHOU Fei (China) said that, like most other delegations, his delegation had no problem in adopting the draft decision.

42. Mr. KELLY (Ireland) said that the States members of the European Union would have no difficulty in adopting the draft decision immediately.

43. Mr. GELBER (United States of America) said that the adoption of the draft decision might or might not result in an overrun of the approved expenditure level of $2,608 million. Other Governments took a different view from his own concerning that figure. However, his delegation would have been remiss if it had not drawn attention to the possible result of the draft decision. If the Committee proceeded to adopt it, his delegation would not join in the consensus but would not go beyond dissociating itself from the consensus.

44. Mr. JONAH (Sierra Leone) said that, in view of the comments of the representative of the United States, he wished to make it clear that his delegation supported the draft decision.

45. Mr. STEIN (Germany) said that, as coordinator of the informal consultations on the item, he was concerned about the developments in the Committee. It must be remembered that the programme budget was a very complex issue and that many difficulties would be encountered before the end of the session. He would not like to see the emergence of a climate which would make the Committee's task even more difficult. He would, of course, prefer a decision to be taken immediately, but, as the representative of Canada had pointed out, no other body was waiting on action by the Committee. Since there was still a chance of a full consensus which would include the United States delegation, he suggested that the adoption of the draft decision should be deferred.

46. Mr. ODAGA-JALOMAYO (Uganda) said that he would like to know whether the General Assembly had already approved the decisions adopted by the Economic and Social Council.

47. Mr. TOYA (Japan) said that his delegation supported the suggestion made by the representative of Germany.

48. Ms. PEÑA (Mexico) said that she really did not understand why the Committee could not proceed to adopt a decision which merely "took note" of some estimates. The United States delegation had not said that it was against the use of the contingency fund but just that the appropriation for the biennium should not be exceeded. Her delegation would be grateful if the representative of the United States could throw more light on the intention behind his comments.

49. Mr. JONAH (Sierra Leone) said that he understood the point made by the representative of Germany, but felt it would be dangerous if one or two members of the Committee were allowed to delay the taking of decisions.

50. Mr. ACAKPO-SATCHIVI (Secretary of the Committee), responding to the question put by the representative of Uganda, said that the Economic and Social Council was a principal organ of the United Nations under the Charter. Its decisions were therefore final unless the Council decided otherwise.

51. Mr. ODAGA-JALOMAYO (Uganda) said that the outcome of the discussion was thus a foregone conclusion, for the figures had already been decided. The Committee was wasting time pursuing the matter and discrediting its role as the Organization's financial watchdog.

52. Mrs. RODRIGUEZ ABASCAL (Cuba) said that, since the Committee could not challenge the decisions of the Economic and Social Council, it should approve the resulting revised estimates. Her delegation supported the position of Sierra Leone. It must, after all, be remembered that the delegation which objected to adoption of the draft decision was a member of the Council.

53. Mr. RONNEBERG (Marshall Islands) said that his delegation supported the point made by the representative of Sierra Leone. It was surprising that a very large delegation with many representatives at all meetings could not keep in mind the overall picture with respect to the programme budget implications of decisions taken by other bodies. The draft decision could be adopted immediately.

54. Mr. IRAGORRI (Colombia) said that his delegation could accept deferral of the draft decision but saw no reason why it could not be adopted at once since such a move would be in accordance with the established financial procedures. The Committee must be clear about the position of the United States: the approved programme budget of $2,608 million must not be changed by a single dollar. That position would not alter even if the Committee deferred consideration of the draft decision. On the broader issue, the Committee could either decide to approve additional appropriations or not. But, in the latter case, it must not continue to shift the burden of absorption of additional activities onto the Secretariat. It should instead indicate which programmes were to be cut. The Secretariat could not continue to take on new activities unless the appropriate resources were provided.

55. Mr. MARCONDES DE CARVALHO (Brazil) said it was his understanding that the United States delegation was not going to block a consensus. A decision could therefore be taken immediately.

56. The CHAIRMAN suggested that the Committee should adopt the draft decision by consensus.

57. It was so decided.

Budget of the International Seabed Authority for 1997 (A/51/7/Add.2; A/C.5/51/21)

58. Mr. GELBER (United States of America) said that, in the view of his delegation, the item under consideration should be discussed in informal meetings as clarification was required on certain matters, in particular concerning the details of the financial arrangements to be made on behalf of the International Seabed Authority for 1997.

59. Mrs. MONTEITH (Jamaica) said that when, in December 1995, the General Assembly had adopted the programme budget for the biennium 1996-1997, it had also adopted, as an integral part of that budget, the funding provisions for the International Seabed Authority for 1996. At that time, because the organizational structure of the Authority was not yet in place, the provisions for 1997 had not yet been determined. However, in March 1996 the Secretary-General and the Council of the Authority had been elected, thus paving the way for the Assembly of the Authority to adopt its budget for 1997, which had been submitted to it on the recommendation of its Finance Committee.

60. The proposed budget for 1997 was a modest one which took into account the Authority's status as an autonomous international organization as well as the prevailing financial situation of the United Nations.

61. The General Assembly had decided to fund the expenses of the International Seabed Authority for 1997, as it had done for 1996. Her delegation noted that the budget of the Authority had been subjected to intense scrutiny by ACABQ, trusted that the Committee would agree to approve the budget for 1997 and hoped that the administrative expenses of the Authority could be funded from the contingency fund for the biennium 1996-1997.

62. Mr. RONNEBERG (Marshall Islands), speaking also on behalf of Samoa, said that his delegation supported the statement made by the representative of Jamaica, as well as the budget submitted by the Secretary-General for the International Seabed Authority for 1997, which had been recommended by ACABQ for approval. He noted that 1997 would be a critical year for the Authority and would be the last year in which its budget would be funded by the United Nations. In an attempt to accommodate the financial crisis facing the United Nations, the original budget proposals had been reduced. His delegation would be concerned if the procedures for the approval of the Authority's budget were delayed; that would send a negative signal to a new organization that the States Members of the United Nations were committed to supporting.

63. Mr. ATIYANTO (Indonesia) supported the statement made by the representative of Jamaica.

64. Mr. TOYA (Japan) noted that the conference-servicing costs of the International Seabed Authority would be absorbed within the existing conference services budget for the biennium 1996-1997. His delegation had also noted that the original budget proposals had been substantially reduced through postponement of certain activities and the reduction in the number of posts, and it felt that the budget should be given high priority by the Committee.

65. Mr. ALOM (Bangladesh) agreed with the statement made by the representative of Jamaica, supported by the representative of Indonesia, and with the statement made on behalf of the Group of 77 and China. His delegation endorsed the budget proposals for the International Seabed Authority. While having no objection to more substantive discussion, as suggested by the representative of the United States, his delegation would participate in informal discussions in the expectation that, once the necessary clarifications had been provided, the budget for the Authority would be approved as proposed.

66. Mrs. ARAGON (Philippines) said that her delegation endorsed the statement made by the representative of Jamaica and supported the budget proposals as recommended by ACABQ.

67. Mrs. RODRIGUEZ ABASCAL (Cuba) said that her delegation also supported the statement made by the representative of Jamaica.

68. Ms. ACHOURI (Tunisia) said that her delegation noted that the conference services of the Authority would be covered from the resources available under section 26E of the programme budget and supported the recommendation made by the Advisory Committee in paragraph 15 of its report (A/51/7/Add.2)

69. Ms. RIECK (Germany) said that her delegation attached great importance to the early complete establishment of the International Seabed Authority. The budget of the Authority, as revised by the Finance Committee of the Authority and adopted by its Assembly, was a significant step in that direction and her delegation therefore supported the approval of the budget for 1997 as recommended by the Advisory Committee. Her delegation also supported the decision contained in General Assembly resolution 48/263, in accordance with which the administrative expenses of the Authority were to be met from the budget of the United Nations until the end of 1997.

70. Mr. OKALA (Kenya) said that his delegation fully supported the statement made by the representative of Jamaica. The budget of the International Seabed Authority had been the subject of extensive discussions, first within the Authority itself and subsequently in the Advisory Committee. When the Authority had met in Jamaica in August 1996, great difficulty had been experienced in electing the Finance Committee, which was to be responsible for preparing the Authority's budget and submitting it to its Council and subsequently its Assembly. Those difficulties had reflected many concerns of a political nature within the membership of the Authority. It had been feared, in particular, that the Finance Committee might end up as a political body that would examine the budget of the Authority primarily in the light of political concerns. Those fears had not materialized. The Finance Committee, as a technical body, had studied the budget in great detail in deciding which parts of it were consistent with the Authority's programme of activities. As a result, certain items which had been considered as important by the Secretary-General of the Authority had been removed from the budget because they had not been seen as realistic. After the budget had been examined by the Finance Committee, it had been submitted to the Council, which had adopted it unanimously after careful deliberation, taking into account the recommendations of the Finance Committee. The budget had subsequently been submitted to the Assembly of the Authority which, after careful consideration, had adopted it without proposing any amendment. The same budget had finally been considered by ACABQ, which had accepted the recommendations that had emerged from the process of consultation, which had included the Finance Committee, the Council and the Assembly of the International Seabed Authority, on the basis that the budget represented a modest attempt to enable the Authority to begin its programme of activities, taking into account the fact that that would be the last time that the Authority would look to the United Nations for financial assistance in connection with its budget.

71. His delegation accepted the recommendation of the Advisory Committee that the budget should be approved, bearing in mind, in particular, the fact that the United Nations, which had previously been responsible for financing the activities of the entire law of the sea system, would be relieved of that burden. In future, responsibility would pass to the Authority, whose costs would be met either through the assessment of its members or, when seabed mining subsequently began, through revenues derived from that activity.

72. Mr. HANSEN-HALL (Ghana) said that his delegation was particularly pleased that the International Seabed Authority was so close to coming into existence as an independent organization. His delegation fully supported the statements made by the representatives of Jamaica and Kenya and endorsed the recommendation of the Advisory Committee that the budget should be approved, together with the suggestion that it should be funded from the contingency fund.

73. Mr. ZHOU Fei (China) said that his delegation hoped that the budget of the International Seabed Authority would be approved as soon as possible, particularly in view of the importance of the first year of its activities and bearing in mind also that it was a reduced budget that took into account the financial situation of the United Nations. His delegation agreed with the representative of Jamaica that the budget should be funded from the contingency fund.

74. Mr. IRAGORRI (Colombia) said that his country, as a member of the Group of 77, fully supported the statement made by the representative of Costa Rica on behalf of the Group of 77 and China, which was fully in keeping with the statement made by the representative of Jamaica. His delegation had also listened with interest to the statement made by the representative of Kenya concerning, in particular, the detailed process whereby the budget of the Authority had been discussed prior to its submission to the General Assembly. His delegation therefore joined those delegations that were in favour of approving the budget and using the contingency fund for that purpose.

75. Mr. NOUR (Egypt) said that his delegation supported previous speakers who had been in favour of the recommendations of the Advisory Committee.

76. Ms. PEÑA (Mexico) said that, having heard the detailed procedures that had contributed to the preparation of the budget of the International Seabed Authority and the efforts that had been made to reduce it substantially, her delegation supported the adoption of the budget as recommended by the Advisory Committee, and was in favour of using the contingency fund, as necessary, for that purpose.

77. Mr. ARMITAGE (Australia) said that his delegation agreed with the recommendations of ACABQ but noted that the representative of the United States of America had made a request for informal consultations in view of the need for information and clarifications. His delegation supported the request on that basis, particularly as the method of funding the International Seabed Authority for 1997 was a subject that required greater clarity. Nevertheless, his delegation looked forward to an early resolution of any outstanding problems, thus paving the way for approval of the budget of the Authority.

78. Ms. BROOKS (Papua New Guinea) said that her delegation supported the statements made by the representatives of Jamaica and the Marshall Islands. It therefore joined other delegations in supporting the recommendation of the Advisory Committee contained in paragraph 15 of its report.

79. Ms. ALMAO (New Zealand) said that her delegation had been a strong supporter of the International Seabed Authority from the outset and had been pleased when the General Assembly had adopted resolution 48/263, which had enabled the administrative expenses of the Authority to be borne by the regular budget for a limited period. It fully supported the budget proposals which had been reviewed by the Finance Committee and the Assembly of the Authority and had now been approved by ACABQ. Her delegation noted that the means of financing had not specifically been recommended by the Advisory Committee but was a proposal from the Secretary-General. Her delegation was willing to work with other delegations to ensure that the question of financing was settled quickly so as to ensure that the Authority could rely on secure funding for 1997.

80. Mr. INNOCENT (Haiti) said that his delegation fully supported the statement made by the representative of Jamaica.

81. Mr. SOAL (South Africa) said that his country placed great importance on the International Seabed Authority and in fact served on its Council. His delegation was in favour of the speedy approval of its budget.

82. Mr. GELBER (United States of America) said that his delegation had asked for informal discussions because further clarification was required as to the relationship between the proposals of the Secretary-General and the budget of the Authority. For example, in the budget proposed by the Authority the sum of $10,000 had been set aside for general temporary assistance, including provision for maternity leave, extended sick leave and peak-workload situations. However, in annex II of document A/C.5/51/21 the amount under that heading had increased to $163,600. He was unable to account for that discrepancy and felt that informal consultations would therefore be useful.

83. Mr. SOMAKIAN (Cyprus) said that his delegation supported the recommendation of the Advisory Committee.

84. Mr. SEYE (Senegal) associated his delegation with those speakers who wished the budget to be adopted without delay and fully supported the statement made by the representative of Jamaica and those made by other delegations to the same effect.

85. Mr. MOKTEFI (Algeria) said that his delegation endorsed the views of other speakers who had expressed firm support for the International Seabed Authority and wanted to see its budget approved without delay in order to enable it to carry out its work on a sound financial basis.

86. Mr. TAKASU (Controller) said that it had been very useful for so many delegations to have the opportunity to participate in the deliberations for decisions relating to the International Seabed Authority.

87. In response to specific questions that had been raised, he said that the budget of the Authority was unlike the budget of the United Nations in that it

was the budget of an independent and autonomous body which had its own decision-making process. The involvement of the General Assembly was on the basis of the resolution it had adopted at its forty-eighth session under which, until certain conditions were met, the regular budget would bear the cost of the Authority. As all the conditions had now been met, the budget currently under discussion for 1997 would be the last one that would involve the regular budget of the United Nations.

88. Attention had been drawn to apparent discrepancies regarding the cost element under general administrative assistance between the paper that had been submitted to the Finance Committee in Geneva and the document currently before the Fifth Committee. He assured the Committee that figures in document A/C.5/51/21 were the result of a decision taken by the Assembly of the Authority on the basis of the recommendations of its Finance Committee. The latter had recommended a reduction in the total budget for $4.15 million. The original proposal submitted by the Secretariat of the Authority to the Finance Committee had included $150,000 as a programme support element to enable the Authority to receive administrative and other support, for example for payroll and accounting. It needed such administrative support because, although it was independent and autonomous, it was a new body. The sum had originally been a separate item in the budget, but the Finance Committee had recommended that the cost should not be presented in that way; on the basis of the Finance Committee's recommendation, the sum of $150,000 had been moved and had been included under general temporary assistance to deal with maternity leave and other matters. The reason for including the provision of $150,000 there had been to enable the Authority to receive the administrative support it needed. That accounted for the apparent increase in the figure to which attention had been drawn.

AGENDA ITEM 121: UNITED NATIONS COMMON SYSTEM (continued) (E/1993/119 and Add.1; A/50/30 and Add.1; A/51/30; A/C.5/50/23; A/C.5/51/24 and A/C.5/51/25 and Corr.1)

AGENDA ITEM 122: UNITED NATIONS PENSION SYSTEM (continued) (A/51/9 and Corr.1 and A/51/644; A/C.5/51/4)

89. Mr. Stein (Germany), Vice-Chairman, took the Chair.

90. Miss MONTAÑO-DURÁN (Bolivia), speaking on behalf also of Argentina, Brazil, Chile, Colombia, Costa Rica (representing the Central American countries), Ecuador, Mexico, Panama, Paraguay, Peru, Uruguay and Venezuela, said that, although her delegation differed as to the appropriateness of some of the recommendations formulated by the International Civil Service Commission (ICSC) in its various reports, there could be no doubt about the seriousness and methodological correctness of the Commission's conclusions.

91. A number of General Assembly resolutions had requested ICSC to consider the competitiveness of the common system as a matter of urgency. As a result, in 1995 the Commission had recommended that the staff in the Professional and higher categories should be awarded a salary increase. An updated net increase of 4.1 per cent was currently being recommended.

92. At the same time there was widespread unease within the common system which transcended the usual level of anxiety felt during periods of staff reductions and budget restrictions. Some organizations had even formulated proposals to withdraw from the common system altogether and set up their own salary scales.

93. For almost 20 years the practice of comparing the remuneration of United Nations staff to that of the United States federal civil service had worked well, until the comparator had decided to ignore the recommendations of its own pay agent, thereby creating a gap between rates of pay in the civil service and rates on the labour market. That gap had grown steadily wider, making it necessary to resort to mechanisms such as preferential rates of remuneration that were competitive with real market rates.

94. Her delegation noted with satisfaction that ICSC had responded to the General Assembly's requests by elaborating a mechanism which mitigated the impact of the ever-widening gap, although it did not solve the problem completely. The Commission had also addressed the issue of whether to make the German civil service the new comparator. A number of technical reasons, and the fact that the German civil service was itself currently undergoing a process of adjustment, had ruled out such a change at the present time.

95. Whatever the General Assembly decided with regard to the proposed salary increase, the Committee should note that there was normally a time lag of 14 months between the base salaries of the United States civil service and those of the common system. That time lag had been extended to 26 months owing to the General Assembly's failure to take a decision in 1995. It was therefore essential to take immediate action in order to maintain some sort of parity between the minimum salary under the common system and that of the comparator.

96. Her delegation had no objection to the Commission's proposal that certain adjustments should be made to common staff assessment rates in order to offset the effect of so-called income inversion, and endorsed the ICSC proposal that pay should be delinked from the base/floor salary.

97. Her delegation took note of the fact that the working group on the operation of the post adjustment system had not been able to reach agreement on any recommendations, but that the Commission had decided that a minimum amount of 20 per cent of net remuneration should be considered as out-of-area expenditures. It should also be remembered that, for various technical reasons and in order to design a methodology which would be safe against legal challenge, the Advisory Committee on Post Adjustment Questions had decided to postpone its recommendation on resolution 50/208 regarding the calculation of post adjustment for staff members serving in Geneva.

98. In addition, her delegation noted that ICSC had completed its cycle of studies on the remuneration of the General Service staff at headquarters and non-headquarters duty stations and, on the basis of the accumulated data, it intended to make recommendations on the methodology to be used. To that end, the Commission was organizing working groups composed of members of the Commission and representatives of both the administrations and the staff. Her delegation trusted that the working groups would yield conclusions acceptable to all the interested parties.

99. Finally, her Government regretted that the staff representatives had not resumed participation in the work of ICSC. Everyone would benefit from their presence, not least the staff themselves, and she therefore exhorted the Commission to take all possible measures to ensure their return.

100. Mr. SHARAF (Coordinating Committee for International Staff Unions and Associations) said that the independence and undivided loyalty of the staff was the source of their entitlements, which must be the United Nations alone. The Coordinating Committee for International Staff Unions and Associations (CCISUA) had therefore deemed it necessary to curb the tendency in the common system towards secondment by Governments to the United Nations or its specialized agencies, and to stop any additional subsidies by Governments to international civil servants.

101. Member States should appreciate the fears that staff felt for the security of their jobs, their families and their future. It was the duty of staff representatives to protect staff interests such as job security and the preservation of entitlements. CCISUA appealed to the Committee to defend those interests, not only out of humanitarian considerations but because of the real importance of the United Nations in its supreme role as guarantor of international peace and security. Staff members served the Organization diligently and enthusiastically, yet over the past 10 years their purchasing power had dwindled by 18 per cent - one fifth of their earnings. The very survival of the international civil service was at stake.

102. In resolution A/50/214, the General Assembly had requested the Secretary-General to present a report containing proposals of possible savings for its consideration and approval. That resolution had been regarded as a mandate which had been translated into directives not only for the ongoing biennium 1996-1997 but also for the proposed programme budget for the biennium 1998-1999. The Under-Secretary-General for Administration and Management had subsequently circulated a letter warning of staff reductions and stating the need to maintain a 6.4 per cent vacancy rate. The abolition of posts was, however, the prerogative of the General Assembly alone, and the General Assembly had requested the halting of any reductions. In the current climate it would be extremely difficult to restore staff morale to its previous level, and the legality of the actions that had been taken would be reviewed by the United Nations Administrative Tribunal. CCISUA had followed with apprehension the efforts of the World Trade Organization to stay out of the common system, with all the serious consequences that such a step would entail.

103. Regarding the conflict between the staff representatives and ICSC, he informed the Committee that the General Assembly had repeatedly called for the establishment of a constructive dialogue in ICSC and for an improvement of the consultation process within its membership. At its forty-first session, the Commission had refused to change its modus operandi, methods or statutes to permit the full participation of other partners in the drafting of projects and decision-making. Lastly, the Commission had insisted on maintaining a comparator which it admitted was far from ideal. At that point, CCISUA had decided to withdraw from the Commission in the summer of 1995. The staff representatives felt that they were powerless to object to decisions affecting their conditions of employment. The controversy had subsequently been

aggravated as a result of sanctions taken against a staff representative. Regrettably, such sanctions had become a recurrent affair.

104. In resolution A/50/208, the General Assembly had called for a resumption of participation by staff representatives in the work of the Commission. CCISUA had decided to send a letter to the Chairman of ICSC proposing the establishment of a tripartite working group composed of representatives of the Administration of the United Nations, the Commission and the staff to prepare a report that would be submitted directly to the General Assembly regarding the methodologies and decision-making process in the work of the Commission, the ultimate objective being to enable all partners to participate in a genuine manner in the drafting of projects and in the decision-making process.

105. CCISUA was apprehensive that, without the intervention of the Fifth Committee, there would be no change of attitude on the part of the Commission. The Coordinating Committee was therefore counting on the Fifth Committee to restore the situation.

106. Mr. DIXON (Federation of International Civil Servants' Associations) said that the Federation of International Civil Servants' Associations (FICSA) hoped that Member States would give serious consideration to the Federation's proposal for a workable alternative to the current consultative process, which it had outlined in document A/C.5/50/23. The statutory role of ICSC as a regulatory body precluded genuine consultation with its partners; the FICSA proposal addressed that structural anomaly.

107. FICSA fully supported a common system of terms and conditions of service within the United Nations organization to ensure that they functioned effectively. In developing recommendations and making decisions on conditions of service, the distinctive needs of the specialized agencies required equal consideration. A functional system should not neglect any of its constituent parts.

108. In recent months, several initiatives taken by the Administration of the United Nations in New York appeared to circumvent the collegiality of the common system. FICSA wished to express serious concern at what could be interpreted as a challenge to the stability of the common system.

109. First, the United Nations Administration had proposed revisions to the Code of Conduct for International Civil Servants without consulting representatives of the specialized agencies and technical programmes. The Code of Conduct, which had been established in 1954 and reaffirmed at the common system level in 1982, was and should remain a common system issue.

110. Second, proposals had been put forward to modify the functioning of the United Nations Administrative Tribunal without any consultation with the International Civil Aviation Organization (ICAO) or the International Maritime Organization (IMO), two specialized agencies that were served by the Tribunal.

111. Third, staff representatives had been penalized for actions taken in full conformity with their representational responsibilities, and had not been given an opportunity to justify their actions to the Administration.

112. Fourth, an implicit decision had been made that the consultative process did not require reform and therefore did not merit discussion; the view had been put forward that the Fifth Committee should limit itself to the priorities set and the needs identified by the Administration of the United Nations in New York.

113. Fifth, the Organization was being downsized solely to cut costs, rather than in line with a clear blueprint for reform. The mandate accorded to the Administration by the General Assembly to make savings had misguidedly been interpreted as an instruction to downsize.

114. While it might be understandable that the current financial constraints had led organizations to look increasingly inward to address their own difficulties, it was important to guard against making decisions from such a protectionist position. A recent example had been the decision of the Director-General of the United Nations Educational, Scientific and Cultural Organization (UNESCO) to apply a post adjustment index which was at variance with the common system methodology. It was essential to understand that the international civil service as a whole was seeking to respond to the new challenges posed by Member States, rather than have each organization go its own way. Full consultation was required throughout the system, among Member States, representatives of the organizations, and the inter-agency bodies and with the full participation of the staff. The very small international public service would not survive into the twenty-first century unless new channels of communications and collaboration were opened. There was a great deal at stake: helping to resolve world crises, initiating and supporting economic transition, elaborating new approaches to humanitarian and development aid, and ensuring that international civil servants had the tools and institutional and managerial support to carry out the mandates of the various organizations.

115. FICSA wished to work together in full consultation with Member States and the administrations to assist in the development of a common approach to advance the process of change, to achieve greater understanding of points of view and to help the common system move in a mutually acceptable direction. FICSA had submitted its proposals to the Committee, but it was open to consideration of other opinions. In view of the short time available for a full discussion of ways to improve consultation in the common system, FICSA wished to request a meeting early in 1997 with representatives of the Fifth Committee and the administrations to exchange views on issues of mutual concern.

The meeting rose at 1.05 p.m.

UNITED NATIONS

General Assembly

FIFTY-FIRST SESSION

Official Records

FIFTH COMMITTEE
34th meeting
held on
Friday, 29 November 1996
at 10 a.m.
New York

SUMMARY RECORD OF THE 34th MEETING

Chairman: Mr. ALOM (Bangladesh)
(Vice-Chairman)

later: Mr. SENGWE (Zimbabwe)
(Chairman)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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AGENDA ITEM 141: REPORT OF THE SECRETARY-GENERAL ON THE ACTIVITIES OF THE OFFICE OF INTERNAL OVERSIGHT SERVICES (continued)

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In the absence of Mr. Sengwe (Zimbabwe), Mr. Alom (Bangladesh), Vice-Chairman, took the Chair.

The meeting was called to order at 10.10 a.m.

AGENDA ITEM 120: HUMAN RESOURCES MANAGEMENT (continued) (A/51/656)

1. Mr. BOUAYAD-AGHA (Joint Inspection Unit), introducing the report of the Joint Inspection Unit (JIU) on placement and promotions (A/51/656), said that all staff members must know a career progression translated into additional responsibilities, enhanced status and higher remuneration. Unfortunately, trends had been observed in the promotion area which appeared to compromise the very concept of career, and many staff members found themselves without any promotion prospects. The fastest promotions were not always linked to competence and efficiency: recent times had witnessed a drastic curtailment of the promotions of male staff members as they had increasingly come up against stiff female competition buttressed by comprehensive preferential measures. The awareness that there was little guarantee of objectivity engendered deep feelings of dissatisfaction and frustration throughout the system.

2. The report was based on three interrelated assumptions. First, a modern, fair and transparent personnel policy, in which placement and promotion played an important part, and the strict implementation of that policy were crucial determinants of the effective future performance of the Organization. The General Assembly, in resolution 47/226, had urged the Secretary-General to improve all personnel policies, yet that requirement had still not been implemented. Second, such a policy would tangibly improve morale among the staff, which, as all were aware, was very low. Third, fair and transparent personnel policies and their strict implementation were the best guarantee against attempts at micro-management of the Secretariat and interference with the Secretary-General's prerogatives under Article 97 of the Charter.

3. The following questions arose concerning the current system: the extent to which placement and promotion were tied to merit; whether the promotion process could be improved to reward performance; how open decision-making was in that area; what changes were practical and desirable in policies and procedures; whether the functioning of the appointment and promotion bodies could be improved; and whether programme managers could be held more accountable for placement and promotion decisions.

4. The current system suffered from most of the flaws and deficiencies which had characterized the previous systems of annual grade-by-grade review and vacancy management. Those flaws and deficiencies were further aggravated by the constant circumvention of recruitment policies. The so-called regularization of temporary staff on short-term appointments blocked the recruitment of candidates from competitive examinations, more than 100 of whom were currently awaiting positions. With respect to recruitment to Professional posts, the requirements concerning education standards must be strictly applied.

5. Planning capability in the Office of Human Resources Management (OHRM) had recently been enhanced, and the Under-Secretary-General for Administration and Management had indicated that a new recruitment process, ensuring internal

recruitment in 10 weeks and external recruitment in 13 weeks, had been put in place. There was no longer any reason for granting short-term appointments for more than three months, with the sole exception of appointments to replace staff serving on missions.

6. Current policy provided for all vacant posts to remain unencumbered until a candidate was permanently assigned through internal reassignment, lateral transfer or promotion. Temporary assignments from within a department against higher-level vacancies while normal placement procedures were under way should be allowed only in exceptional cases, and should be limited to three months. In reality, however, "exceptional" cases were rather numerous, with major abuse in the Department of Administration and Management, which was responsible for enforcing personnel procedures and policies, and the Department of Political Affairs. Information recently made available by OHRM suggested that there were even more exceptions than JIU had indicated in its report. While the Secretary-General could exercise his discretion in that regard, it was limited under the Staff Regulations and Rules. The Appointment and Promotion Board had observed that recommended candidates had sometimes occupied posts on a temporary basis for longer than a year, a practice which raised questions of credibility and fairness.

7. The temporary placing of staff against higher-level vacancies damaged the careers of other eligible staff members, particularly since such vacancies were frequently not announced, in contravention of United Nations policy. That practice must be immediately discontinued. JIU recommended that, once the three-month time limit had been exceeded, a staff member temporarily occupying a post should no longer be considered eligible for the vacancy. Those measures were contained in recommendation I.

8. The General Assembly had emphasized the need to improve the status of women in the Secretariat, but in accordance with the Charter of the United Nations. Articles 8 and 101.3 of the Charter were clear. Under Article 8, the United Nations should place no restriction on the eligibility of men and women to participate in any capacity and under conditions of equality, while the paramount consideration, under Article 101.3 was known to all. The Joint Inspection Unit had proposed a number of measures in that respect aimed at giving preference to women, based on the principle of "other things being equal".

9. The Secretary-General, however, in his attempts to push ahead to gender parity by the year 2000, had introduced a number of measures which were discriminatory since they gave automatic preference based on gender. In particular, the policy guidance contained in administrative instruction ST/AI/412 referred to identifying women candidates who met the minimum qualifications for any vacant post and introduced such notions as "suitable women candidates". That administrative instruction contradicted the Staff Regulations and Rules and left many loopholes and opportunities for abuse. As a result, a number of complaints had been submitted to the Joint Appeals Board and the United Nations Administrative Tribunal.

10. JIU shared the view of the Administrative Tribunal that the language of Article 101.3 unequivocally established a standard under which less qualified persons were not entitled to preferential treatment based on gender, and that

the fundamental principle reflected in that Article might not be diluted by a desire to overcome past problems. It should be recalled, in that context, that the representative of Australia, speaking also on behalf of Canada and New Zealand, had recently emphasized the need for the further strengthening of the merit principle. Indeed, explanations that special measures had been introduced to correct past mistakes were not convincing, for the reason that, if discriminatory action had been taken in the past, it had merely represented, at worst, violations of the then-existent equitable gender policy. At present, however, with the introduction of different criteria for recruitment, placement and promotion based on gender, discrimination had been institutionalized. The special measures giving automatic preference to women were redundant. That such measures were not only unnecessary but humiliating to women had been heard from women themselves, both in the Staff Council and in the Fifth Committee.

11. The Organization should have a comprehensive career development system, of which promotion should be an integral part. Despite reaffirmations of commitment by successive Secretaries-General over 20 years, no such system existed. Indeed, the very concept of career development had almost disappeared; it was mentioned neither in the proposed medium-term plan, nor in the Secretary-General's report on the implementation of the strategy for the management of the Organization's human resources (A/C.5/51/1). The representative of Costa Rica, speaking on behalf of the Group of 77 and China, had expressed concern that the latter report made no reference to career development and presented no career system for the staff, despite repeated requests by the General Assembly. Instead, the promotion of the new Performance Appraisal System gave the impression that that new tool for the evaluation of staff conduct superseded any requirements for career development.

12. The representative of Japan had emphasized the need for a long-term career development plan. That view was shared by JIU (A/51/656, para. 74), which had concluded that the Secretariat should develop a system which would provide promotion possibilities to all staff through the establishment of links between the skills available in the Organization and future demands. OHRM had the necessary capacity, expertise and information technology to establish such a system. The Secretariat should chart career paths in a fair and transparent manner for all staff, not only for a selected few. Career development was one of the most disappointing administrative policy efforts in the history of the Organization. The assertion by the Assistant Secretary-General for Human Resources Management that the Secretariat was equally frustrated by over 50 years of waiting was surprising, to say the least: the obvious question was who was responsible, if not OHRM itself. Accordingly, in recommendation II, JIU called for an explanation of why a career development system had not been put in place, or included in the proposed medium-term plan, and invited the Secretary-General to provide information on proposals for a new system, with time-limited objectives.

13. Despite requests by the General Assembly for a mechanism to ensure that programme managers were held accountable for the management of the resources allocated to them, it was not clear that such a mechanism had functioned in the area of human resources. The time had come to hold programme managers financially responsible for decisions which entailed paying damages to the staff concerned in connection with grievance procedures. The Staff Rules already provided the Secretary-General with the necessary means to do so. In

recommendation III, JIU advocated the application of Staff Rule 112.3 in cases where it was established that the placement and promotions decisions appealed against had been based on improper motivation, wilful violation, or reckless disregard of established policies.

14. Regarding decentralization and the delegation of authority, some delegations had stated that a system of accountability and responsibility needed to be established before authority could be decentralized or delegated. In an earlier report, JIU had expressed the view that it would be premature and even counterproductive to delegate essential functions before human resources management policies were formulated, all personnel procedures were reviewed and improved, proper demarcation of responsibilities in human resources management was established between OHRM and other offices and departments, and appropriate mechanisms for reporting and accountability were put in place. None of those measures had been implemented, even though they had been approved by the General Assembly in March 1995 and had thus become binding. JIU had also, in an earlier report, called for a comprehensive system of reporting on personnel matters on a biennial basis, so as to ensure managerial accountability.

15. Mr. HALLIDAY (Assistant Secretary-General for Human Resources Management) said that he appreciated the acknowledgement in the JIU report (A/51/656) that the Secretary-General had tried to address criticism and suggest a way forward with the introduction in 1993 of the existing placement and promotion system. While that system was not an excellent one, it contained sound elements, such as open competition for jobs, performance-based criteria, and recognition of mobility and staff training in consideration for promotion.

16. OHRM was working to streamline processes and address legitimate concerns to ensure that staff were given an opportunity for personal development and career advancement. In his 1994 strategy for the management of the Organization's human resources, the Secretary-General had envisaged a supplementary triennial review of staff who had not had advancement opportunities for a lengthy period. The negative perceptions reflected in the survey referred to in paragraph 64 of the JIU report were only perceptions. The fact that staff members who were competent, mobile and productive were known to their superiors and Governments did not detract from the quality of their work or mean that they should not be recognized in the promotion process. There was, regrettably, pressure from some Permanent Missions, whose readiness to interfere and micro-manage undermined the Charter. That was a problem which required the Committee's attention.

17. His Office hoped that the Secretary-General's human resources management strategy would be successfully implemented, despite its perhaps overly ambitious nature, and that it would enable the Organization to meet the challenges of the twenty-first century. The unprecedented financial crisis had, however, had a serious impact on the full implementation of some components of the strategy, although the crisis should not be used as an ongoing excuse for all the Secretariat's shortcomings. Recent staff reductions in OHRM itself had made it increasingly difficult for it to carry out the strategy while coping with the day-to-day workload. Some progress had nevertheless been made in implementing performance management, including the introduction of a new Performance Appraisal System, a People Management Training Programme, human resources management planning and information database-building. Work had also begun on career development policies and pilot schemes for delegating authority. The

fact that references to career development had been omitted from the proposed medium-term plan could be attributed to over-zealous editing. He trusted that the Fifth Committee would restore proper references in the medium-term plan document itself. Efficiency measures and streamlining of processes had marginally reduced the impact of budget and staffing reductions to some degree, but the requirement to freeze posts for the remainder of the biennium together with the further reductions which were expected did not bode well for future efforts to accelerate the implementation of the strategy.

18. OHRM recognized that further work was required in certain areas and noted, in particular, the Joint Inspection Unit's recommendation that temporary appointments for longer than three months at the P-2 and P-3 levels should be banned. The ongoing efforts to enhance the Secretariat's ability to forecast vacancies and streamline recruitment procedures were intended to obviate the need for such temporary hiring, thus making it possible to undertake proper national competitive examination roster recruitment in a timely fashion. Basic to such changes was a less parochial thinking and a more holistic or corporate approach on the part of departmental heads. OHRM must have support and cooperation, or at least compliance.

19. On the issue of mission replacement, a balance needed to be struck between ensuring that temporary needs were met and avoiding the use of untested individuals hired on short-term contracts without due regard for the principle of equitable geographical distribution. Such individuals subsequently made a career of moving from one mission replacement function to another until they had gained so much experience that jettisoning them would represent a loss to the Organization and a failure on the part of human resources management. Although blocking off that avenue of recruitment in favour of recruitment through national competitive examinations would deny the Secretariat some outstanding talent, the challenge was to identify such talent and ensure proper intake through the appropriate channels mandated by the General Assembly. In that connection, the Secretary-General had proposed that further study might be given to mission replacement arrangements that encouraged staff development through the performance by internal candidates of different or higner-level functions on a temporary basis.

20. The Secretariat had also welcomed the emphasis placed by JIU on the need to encourage staff mobility and willingness to take on new or different assignments, preferably in different offices or duty stations. OHRM was focusing on ways to ensure that staff could return from the field to their parent duty stations and perform functions that recognized and rewarded their hard-earned and valuable field experience. Again, departmental cooperation was an essential element in the implementation of such a scheme.

21. The comments of JIU on career development had not taken into account the fact that the career development system was being implemented as part of the 1994 human resources management strategy. In adopting resolution 49/222 A and providing OHRM with funding for that purpose, the General Assembly had, in fact, set in motion a number of measures designed to facilitate the development of career planning. Those measures included the introduction of a human resources management planning function which would enable the Secretariat to project staff needs and design training to meet those needs; the introduction of performance management through the Performance Appraisal System; the introduction of people

management training designed to enable managers and supervisors to have a better understanding of and to take responsibility for the staff entrusted to them; and the initial development of a management assignment programme for P-2 and P-3 staff recruited through the national competitive examination process. Again, departmental collaboration in all of those areas was an essential ingredient.

22. While OHRM shared the regret of the Joint Inspection Unit and a number of delegations that the Secretariat had not progressed faster and further, it was moving ahead as quickly as possible under the current resource constraints. Member States should understand, however, that, with the resources available and taking account of the other demands placed on the global Secretariat, it was unlikely that a comprehensive career development programme could be elaborated for every single staff member. Any system would necessarily have to recognize the limitations for career advancement that existed in any organization, in other words the pyramidal structure which precluded all staff members from reaching the pinnacle of their ambitions. Nevertheless, OHRM intended to do its best to work towards a system that encouraged all staff to meet their full potential within a framework of career ambitions. Given the nature of the vertical constraints, there was an urgent need to find new horizontal opportunities that would enable the staff to feel that they could make a difference.

23. With regard to the comments of JIU on the consolidated measures introduced by the Secretary-General to improve the status of women in the Secretariat, he wished to assure the Committee that at no time had discriminatory instructions been issued to the effect that lesser qualified women candidates should be given preference over male colleagues with superior qualifications. In accordance with United Nations Administrative Tribunal jurisprudence, the consolidated measures set out in administrative instruction ST/AI/412 specified that a woman candidate, whether internal or external, should be given preference only when her qualifications met all the requirements for the vacant post and when her qualifications were substantially equal or superior to those of competing male candidates (para. 15). The Secretary-General's comments on the JIU report would fully address all the issues raised by the inspectors and demonstrate that his policies aimed at improving the status of women in the Secretariat were fully in accord with the relevant provisions of the Charter, as interpreted by the Administrative Tribunal. In point of fact, 56 per cent of all staff members promoted in 1995 had been men, and 52 per cent of all staff members promoted to date in 1996 had also been men. So-called "reverse discrimination" in favour of women was thus neither a policy nor a reality in the United Nations Secretariat.

24. OHRM was well aware that some delegations might feel frustration or even anger at the litany of apparent failures listed in the JIU report. However, the Fifth Committee tended only to see the negative side of the various mechanisms that were used to fill posts, and overlooked the daily pressure on departmental heads to get the job done. The Secretariat had been quite properly denied the flexibility in human resources management enjoyed by the private sector; consequently, the Organization had to live with and make the best of a cumbersome system that was responsive to Member States and to respect the principles of geographical distribution, gender balance and the fullest use of official languages, as well as the perceptions and demands of the staff. It was easy to criticize, but more difficult to work together in order to make such a complex system work.

25. Mr. KELLY (Ireland), speaking on behalf of the European Union and of Bulgaria, Cyprus, the Czech Republic, Hungary, Latvia, Norway, Poland and Romania, said that he wished to offer some comments on the Secretary-General's proposals for the reform of the internal system of justice in the United Nations Secretariat (A/C.5/49/13, A/C.5/49/60 and Add.1-2 and Add.2/Corr.1, A/C.5/50/2 and Add.1), an issue which the General Assembly had taken up some time before. In resolution 47/226, the General Assembly itself had stressed the importance of a just, transparent, simple, impartial and efficient system of internal justice in the Secretariat and it was in that context that the Secretary-General had been asked to undertake a comprehensive review of the internal system of justice and submit proposals for reform.

26. In considering the Secretary-General's proposals, the European Union had found it judicious to distinguish between proposals designed to enhance earlier reconciliation and resolution of disputes before they developed into formal litigation, and plans for professionalism of the membership of the existing appeals and disciplinary boards. The European Union supported the Secretary-General's proposals and believed that they should help to reduce the number of cases requiring formal review. It therefore welcomed the proposal that the existing panels on discrimination should be replaced by ombudsman panels, since it believed that the greater emphasis which the new panels would place on mediation was both apt and advantageous. The European Union also supported the establishment of the post of a coordinator to organize, train and guide the ombudsman panels. As had been stated in the Sixth Committee, the members of the ombudsman panels should have direct experience of the work of the United Nations and enjoy the confidence of both the Administration and the staff.

27. The European Union also supported the proposals for the reform of the existing procedures dealing with review of administrative decisions. A major improvement would be effected by transferring responsibility for review of administrative decisions to an independent unit within the Office of the Under-Secretary-General for Administration and Management, which would be separate from the existing Administrative Review Unit. The European Union also supported the proposed amendments to the Staff Rules which would allow for extension of the present time limits for administrative review.

28. In supporting the proposed reforms, the European Union wished to recall its comments in the Sixth Committee that, for reasons of due process, it was important that all staff members should be able to choose between referring a grievance to an ombudsman panel or having immediate recourse to the pre-litigation review procedure, and it noted the intention to strengthen that procedure.

29. The European Union supported the proposed appointment of a Legal Officer to serve full time on the Panel of Counsel, and believed that such a move would contribute substantially to the improved operation of the internal system of justice and increase the benefit which staff could derive from the Panel of Counsel. It also welcomed the planned provision of new training programmes aimed at improving communications skills and dispute-resolution techniques within the Secretariat.

30. Regarding the Secretary-General's proposals for the replacement of the Joint Appeals Board by an Arbitration Board and the Joint Disciplinary Committee by a Disciplinary Board, the European Union concurred with the Advisory Committee on Administrative and Budgetary Questions (ACABQ) that there were still major issues to be addressed with regard to those proposals. In connection with the Sixth Committee's consideration of the legal implications of the Secretary-General's proposals, the European Union had already expressed serious doubts regarding the proposal to replace Joint Appeals Boards by Arbitration Boards. Its principal concern related to the provision for the replacement of staff members by outside experts. The latter would lack familiarity with the special regime of the United Nations which the members of the Joint Appeals Board automatically enjoyed. The European Union had also expressed doubts in the Sixth Committee about the appropriateness of arbitration as a method of settling disputes between the Administration and staff members. Provision for binding arbitration at the present stage, even if only by mutual agreement, would seem to be a derogation of the Secretary-General's responsibility for administering the United Nations. The European Union also had reservations about the proposal for an Arbitration Board, including the need to ensure the independence of arbitrators. The method of selecting appointees to all new offices established in the course of the reform should ensure that they enjoyed the confidence of both the Administration and the staff.

31. A major concern of the European Union involved the quality of Joint Appeals Board decisions and the value of their contribution to the system. It appeared that further resolution into the question was required before an authoritative assessment could be made. The European Union noted the comment by the United Nations Administrative Tribunal (A/C.5/50/2/Add.1, annex I, para. 7) that it seemed wrong to rely solely on statistics rather than analytical study in order to arrive at an accurate assessment of the performance of the Joint Appeals Boards.

32. Regarding the financial implications of the possible establishment of an Arbitration Board and a Disciplinary Board, the European Union would like further information before it could reach an informed decision on the matter. In any event, the proposed establishment of a Disciplinary Board needed to be considered in conjunction with the proposal for the establishment of an Arbitration Board.

33. The European Union had noted the concern of the Advisory Committee that not enough had been done to respond to its calls for simplification of rules and procedures so that the kind of misunderstandings which currently overburdened the system could be avoided. Furthermore, any reform of the procedure must take account of the existence of the different offices of the United Nations.

34. It would be appropriate for the General Assembly to approve the non-contentious measures and reforms proposed by the Secretary-General with a view to strengthening mediation efforts and the pre-litigation process and promoting the speedier resolution of disputes. The implementation of such measures would undoubtedly contribute to a more efficient internal system of justice and minimize the number of cases which needed to be referred to formal proceedings. The European Union noted, however, that it was currently the intention of the Secretary-General to review his proposals in the light of the comments made in the Fifth and Sixth Committees and Advisory Committee and to

submit new proposals which would, inter alia, seek to preserve the joint nature of the current arbitration process. The European Union welcomed the Secretary-General's announcement and looked forward to considering his reformulated proposals in due course. It also welcomed the efforts of the Secretary-General to improve the existing arrangements through the implementation of modest reforms.

35. Mr ODAGA JALOMAYO (Uganda) said that his delegation would address the issues raised in the report of the Joint Inspection Unit (A/51/656) once the Secretary-General had had an opportunity to respond to it. By way of preliminary comment, however, he said that the report had simply proved what his delegation and others had suspected all along, and explained why the Secretariat had not been forthcoming in responding to a number of the issues raised in that connection by delegations. The Assistant Secretary-General for Human Resources Management had said that it was easy to criticize but more difficult to work together in a climate of transparency and honesty. In the view of his delegation, the biggest problem currently bedeviling United Nations placement and promotion policies was a lack of transparency, as was amply borne out by the JIU report. Such a lack of transparency and honesty made it very difficult to work together with the Secretariat.

36. On considering the replies given by the Assistant Secretary-General to the Fifth Committee, his delegation had noted that some of them had been at variance with the introductory statement by the Joint Inspection Unit. He believed that the Secretariat was not being honest with Member States.

37. As his delegation had expected, JIU had addressed the issue of gender balance in the report, but he was extremely disappointed that the problem of racism had received no mention. The Secretariat had acknowledged the existence of sex discrimination; it would be surprising if racial discrimination did not flourish in the same climate.

38. Mr. Sengwe (Zimbabwe), Chairman, took the Chair.

39. Mr. MONAYAIR (Kuwait) recognized the importance of the issues raised in the JIU report and noted the Assistant Secretary-General's comment that there was room for improvement.

40. Mr. MOKTEFI (Algeria) said that his delegation was extremely concerned about certain placement and promotion practices, in particular that of temporary recruitment for three months with subsequent extension of contracts; the lack of standards for ensuring that staff members with equivalent qualifications encumbered equivalent posts; the lack of career development; the lack of respect for placement and promotion guidelines and the consequent financial impact on the Organization; and the lack of any clear instructions outlining the responsibilities and duties of programme managers.

41. Ms. ALMAO (New Zealand) said that her delegation noted the Secretary-General's intention to respond to the JIU report at a later date, and she reserved the right to make further comments at that stage.

42. Mrs. BUERGO RODRIGUEZ (Cuba), commenting on the JIU report on placement and promotion (A/51/656), said that, while she agreed with many of the questions and

concerns raised during discussions in the Committee, most of which had been addressed in the report, the content of the report and the recommendations therein would require careful study. The Committee should include in the draft resolution on the agenda item specific guidelines relating to career development and discrimination. Referring to the latter, she expressed her concern at the possibility of racial discrimination which had been referred to and requested that the Secretariat should inform the Committee of all such cases, if any.

43. The preliminary comments made by the Assistant Secretary-General for Human Resources Management showed the importance of the forthcoming report of the Secretary-General. She hoped that the Secretary-General's report and any other relevant information would be available as soon as possible so that it could be considered during the discussions and informal consultations already underway.

44. Mr. BOUAYAD-AGHA (Joint Inspection Unit) said that the innovations described by the Assistant Secretary-General for Human Resources Management were indeed impressive, but he wondered how those new institutions differed from the old institutions in practice. He also wondered when those new institutions would be fully functional. He was certainly in favour of equal opportunity in recruitment for men and women and believed that the Organization was succeeding in implementing its major concerns of justice, fairness and the prevention of abuse.

AGENDA ITEM 121: UNITED NATIONS COMMON SYSTEM (continued) (E/1993/119 and Add.1; A/50/30 and Add.1; A/51/30; A/C.5/50/23; A/C.5/51/24, A/C.5/51/25 and Corr.1)

AGENDA ITEM 122: UNITED NATIONS PENSION SYSTEM (continued) (A/51/9 and Corr.1, A/51/644; A/C.5/51/4)

45. Mr. KELLY (Ireland), speaking on behalf of the European Union and the associated countries of Bulgaria, Cyprus, the Czech Republic, Hungary, Latvia, Lithuania, Romania, Slovakia and Slovenia, said that the staff of the United Nations constituted an important asset. The European Union strongly supported the United Nations common system and the advantages it offered to participating organizations; it promoted coherence and equality throughout the United Nations system. He pointed out that adherence to the common system and acceptance of the statute of the International Civil Service Commission (ICSC) was voluntary and enjoyment of the benefits of the common system required acceptance of the corresponding obligations.

46. The European Union noted with great concern the decision of the Director-General of the United Nations Educational, Scientific and Cultural Organization (UNESCO) to suspend the application of the revised post adjustment classification for Paris, a decision which was in violation of the ICSC statute. His action had also raised larger issues regarding the authority of ICSC and the obligation of the organizations to implement its decisions. The European Union therefore joined with the Commission in urging the Director-General of UNESCO to reconsider and to draw back from any further action which might undermine the operation of the common system as a whole.

47. He regretted that the staff bodies had been unable to respond to the request made in resolution 50/208 that they should resume participation in the

work of the Commission in a spirit of cooperation and non-confrontation, since active participation by the staff bodies in the decision-making process was essential for the effective operation of ICSC. All sides had an obligation to ensure that the consultative process functioned smoothly in order to avoid irreparable damage to the whole process.

48. The Noblemaire principle had long been the basis for determining the remuneration and conditions of service of the staff in the Professional and higher categories. The Commission had completed its study aimed at determining the highest paid national civil service and its results, and any decision taken by the General Assembly in that regard would have major implications for the continued applications of the Noblemaire principle. Conditions of service in the United Nations system must be competitive and should not be held hostage to, or be influenced by, current financial difficulties which, in the case of the United Nations, resulted primarily from non-payment by some Member States of their contributions. He noted that the General Assembly had in principle endorsed the use of special occupational rates in organizations with problems of recruitment and retention, although no evidence of such problems had been presented with regard to the United Nations Secretariat. He urged the organizations to respond to the request made by the General Assembly in section I, paragraph 4, of resolution 50/208.

49. A decision should be taken with regard to the proposals for an increase in the salary costs for staff in the Professional and higher categories, but any increase would have to be accompanied by intensified efforts to improve the system of accountability and responsibility and make it effective. The possible financial consequences would have to be taken up in the context of the performance reporting mechanisms. The European Union had noted the comments of the Consultative Committee on Administrative Questions (CCAQ) regarding the true financial impact of the Commission's recommendations, as well as the Commission's comments concerning recommendations on the need to address the structural weaknesses in the salary scale.

50. The European Union regretted that the working group on the operation of the post adjustment system had failed to reach a consensus. The time might have come for a major overhaul of the post adjustment system starting from basic principles. It might be helpful to investigate more economical and efficient systems of gathering and utilizing cost-of-living data, avoiding duplication as much as possible and including the possibility of outsourcing. A major review would, however, be an ambitious and possibly lengthy undertaking and more immediate action should be taken to address existing imbalances. As a first step, he supported the recommendation in paragraph 188 of the ICSC report regarding the manner in which the out-of-area expenditure weight used in the calculation of post adjustment indices was determined. He urged the Commission to keep all issues relating to the operation of the post adjustment system under review and to present further proposals for improvement and greater transparency. He urged the Advisory Committee on Post Adjustment Questions (ACPAQ) to continue work on the establishment of a sound methodology for determining a single post adjustment index for Geneva.

51. Turning to the report of the United Nations Joint Staff Pension Board (A/51/9), he noted that the overall results of the actuarial evaluation of the Fund were reported to be satisfactory and also noted the cautious approach

recommended by the Advisory Committee with regard to any further improvement in benefits likely to entail a review in the rate of contributions. The total investment return for the year ended 31 March 1996 had been the highest achieved during the past eight years. He recalled the Advisory Committee's observation, in paragraph 40 of its report (A/51/9), on the possibility of applying special occupational rates when recruiting Professional staff for the Investment Management Services. He commended the Secretary-General and the Investments Committee on their sound management of the Fund's investment performance. He noted the Secretary-General's intention to establish an investment benchmark for the Fund by January 1997 and supported the Advisory Committee's view that a pragmatic approach should be followed regarding use of such a benchmark in assessing the future investment performance of the Fund.

52. Referring to General Assembly resolution 50/208 (section IV, para. 5), in which ICSC was asked to make efforts to improve the readability of its reports and, in particular, to ensure that they contained clear and readily understandable explanations of its technical recommendations, he said that no discernible effort appeared to have been made to respond to that request. The European Union therefore urged ICSC and the United Nations Joint Staff Pension Board and their secretariats to produce more readable, user-friendly reports for future sessions of the General Assembly. That would contribute to better understanding of the work of the Commission and of the Board.

53. Mr. KUSI (United Nations Educational, Scientific and Cultural Organization) requested that the written comments and observations submitted by the Director-General of UNESCO concerning the United Nations common system should be distributed as an official document of the Fifth Committee.

54. At a time of serious turbulence, when the States members of many organizations were themselves following regimes of budgetary austerity, the United Nations common system must adapt itself to the ever-changing context. There should be a continuous and more determined pursuit of ways and means by which organizations might undertake more substantive activities with the resources entrusted to them by their member States.

55. He expressed surprise and regret at the contention by ICSC (A/51/30, para. 313) that its decision-making process could not be influenced by the financial impact of its recommendations nor by the financial problems faced by organizations affected by its decisions. Those statements clearly indicated that the Commission needed to be more in tune with contemporary international reality. Virtually all participating organizations were facing stringent budgetary constraints and were being urged to adopt and apply modern cost-saving and cost-effective management methods and practices. For virtually all member States which financed those organizations, no substantial increase in the remuneration of public sector employees could even be contemplated without the competent authorities giving full consideration to the overall financial and budgetary constraints. If ICSC felt that the financial consequences of its decisions should not be taken into account, he wondered what was the usefulness of rule 33, paragraph 1, of its rules of procedure concerning the administrative implications of such decisions. Recommendations and decisions of ICSC or resolutions of the United Nations General Assembly concerning the conditions of service of common system staff were not automatically binding, for the following reasons: the organizations were in different financial and budgetary

situations; staff recruitment and retention difficulties varied; and each common system organization was an independent and sovereign intergovernmental organization and should have the final word regarding the conditions of service of its staff.

56. It was both conceivable and highly desirable to have a common system with a reasonable dose of built-in flexibility. Each organization would have reasonable leeway in applying decisions or recommendations, including the time-frame for doing so, while ensuring that no changes in conditions of service would be carried out at the expense of programme resources allocated by member States.

57. At its most recent meeting, from 14 to 31 October 1996, the Executive Board of UNESCO had stated that, while the organization did have certain commitments concerning the implementation of the decisions and recommendations of ICSC, the functioning of the Commission and its management of the conditions of service of the staff of the common system needed to be reviewed so that appropriate improvements could be made.

58. With regard to the recommended Paris post adjustment classification, UNESCO was of the view that a legal duty to apply that decision could have arisen if, and only if, that decision were determined to be legally sound. He found the reference by ICSC to the International Labour Organisation (ILO) Administrative Tribunal (A/51/30, para. 314) regrettable, and found it even more regrettable that in determining the Paris post adjustment classification, the Commission itself had committed a breach of procedure, had omitted to take relevant facts into consideration, and had committed an error of law.

59. The UNESCO administration was prepared to defend its actions in an appropriate forum if and when the need arose. Based on the case law of the ILO Administrative Tribunal, decisions of ICSC were binding on the Director-General of UNESCO only when they were lawful. He disagreed with the contention by ICSC (A/51/30, para. 312). The Director-General had had the opportunity to ensure the validity of the Commission's decision since representatives of UNESCO had been present both when the Paris survey had been considered by ACPAQ and when the common system had taken its decision. The case law of the ILO Administrative Tribunal imposed on organizations the obligation to verify ex post facto the lawfulness of the Commission's decisions rather than the obligation to ensure that the common system stayed on course during its decision-making process.

60. For the moment, the Director-General did not intend to recommend that UNESCO should leave the common system, but he wished to urge reflection and debate by all the interested parties so that urgent reforms could be adopted and applied to the mutual benefit of all concerned. He believed that the member States, in their double capacity as financiers and beneficiaries of the activities of the organizations, as well as the governing bodies, the executive heads and the administrations, the staff representatives and ICSC all had useful contributions to make to the collective reform efforts.

61. He confirmed that, for reasons of principle as well as for the management considerations indicated in the Director-General's written comments and observations and in the statement he had just made, the Director-General had

serious reservations about the implementation of the Paris post adjustment classification which had been scheduled for 1 May 1996. The Director-General was of the opinion that the recommendation was legally flawed and he had therefore decided not to implement it. All UNESCO staff members had been duly informed of the Director-General's decision and of the reasons for it.

62. Mr. GIERI (Secretary, United Nations Joint Staff Pension Board), responding to questions and requests for clarification addressed to him by the representative of Ukraine at the Committee's 32nd meeting, said that the Board had exploited all the possibilities of reaching a comprehensive solution for all the former participants in the United Nations Joint Staff Pension Fund, regardless of their nationality, place of residence or length of service, who had transferred their accrued Pension Fund rights under the three Transfer Agreements between the Board and the Governments of the former Union of Soviet Socialist Republics, Ukrainian SSR and Byelorussian SSR, bearing in mind that all the monies involved had been transferred to the Social Security Fund of the former Union of Soviet Socialist Republics.

63. As indicated in the Board's report (A/51/9) and in the introductory statement made by the Chairman of the Board, he had endeavoured, since 1991, to discuss all aspects of the claims made by former participants with the three Governments principally concerned. The Government of the Russian Federation had participated in discussions since 1991, first through a designated person who had served as the focal point and subsequently through a delegation it had designated. Despite several requests made since 1991, no replies had been received from Ukraine or Belarus until 1995, when Ukraine, having been informed of a meeting with a Russian delegation in July 1995, had contacted the secretariat of the Fund to note its interest in the ongoing discussions with the Russian Federation. He had kept the Permanent Missions of Ukraine and Belarus fully informed of all developments, including those related to his visit to Moscow in May 1996.

64. At the meeting in July 1995, the Russian delegation had proposed that the problem should be addressed on a step-by-step basis, focusing initially on former participants from the Russian Federation who had at least five years of contributor service and had therefore had vested pension rights in the Fund when they had separated from service. The Board had earlier indicated in its reports to the General Assembly that, while a comprehensive solution covering all affected former participants was the ultimate goal, it might be more feasible and practical to seek acceptable stage-by-stage solutions. The Board had also suggested that the first stage might cover former participants with at least five years of contributory service, who were then 55 years of age or older. The Board, however, had never suggested that distinctions should be made on the basis of the nationality of former participants.

65. Throughout the negotiations in Moscow, the Russian delegation had maintained that it would be neither appropriate nor legally justifiable to include in the proposed agreement between the Board and the Government of the Russian Federation any reference to former participants other than those who were citizens of the Russian Federation itself, so as not to interfere with the freedom of action of other Governments. The Fund secretariat had reiterated the Board's view that the agreement should apply to former participants, regardless of their nationality (whether at the time of the transfer or subsequently). The

Russian Federation had insisted, however, that the situation of citizens of other countries could not be addressed in any bilateral agreement.

66. In response to a further question from the representative of Ukraine as to the legal grounds for involving the Pension Fund in such arrangements and whether there were any contradictions between the provisions of the Agreement and the Regulations or administrative rules of the Fund, he said that, as a subsidiary organ of the General Assembly, the Board entered into various types of agreements related to pensions with Member States and other international entities. The proposed agreement did not constitute a transfer agreement under article 13 of the Fund's Regulations. The Board had kept the General Assembly informed of all the efforts made to ascertain the extent to which the problems that had arisen with regard to the application of the three Transfer Agreements could be resolved. In that connection, the Board had requested its Secretary to continue his discussions with the Governments concerned, exploring all possible avenues. In resolution 49/224, the Assembly had called upon all parties concerned to continue their efforts to resolve the problems in a manner consistent with the letter and intent of the Agreements.

67. The proposed agreement involved a fully self-contained arrangement for prospective pension payments only; it therefore fell outside the context of the Regulations of the Fund. It had not been possible to reach agreement on full reinstatement into the Fund of the former participants concerned. The proposed arrangements did, however, provide for determination of the amount of the pension and its future adjustment in the same manner as the Fund's Regulations and pension adjustment system. It did not provide for any retroactive payments and did not extend to certain options under the Fund's Regulations, for example, lump sum commutations. The proposed agreement was submitted to the General Assembly at its current session for its concurrence in response to resolution 49/224 and on the grounds that the proposed agreement would formally terminate the Fund's Transfer Agreement with the former USSR, which itself had been concurred in by the General Assembly under article 13 of the Fund's Regulations.

68. The representative of Ukraine had also asked whether the letter and spirit of the proposed agreement between the Government of the Russian Federation and the Pension Board were in keeping with article 34 of the Vienna Convention on the Law of Treaties, under which a treaty did not create either obligations or rights for a third State without its consent. Information had also been sought as to the effect of the termination of the Transfer Agreement with the former USSR. In that connection, he said that it was important to note that the three Transfer Agreements had been suspended by the Fund early in 1992 after the dissolution of the former USSR, since the institutions referred to in the Agreements had ceased to exist, including, in particular, the Social Security Fund of the USSR to which all monies had been transferred. Formal termination of the Transfer Agreement with the USSR would be achieved by the Assembly's concurrence in the proposed agreement now before it, but that would not affect any legal situation or rights created through the execution of the Transfer Agreement while it had been in force. He particularly emphasized that no rights or obligations were granted to, or imposed on, Ukraine or its nationals by the proposed agreement with the Russian Federation, which dealt solely with the situation of certain Russian nationals. Consequently, the letter of the proposed agreement was fully consistent with the requirements of international law. Moreover, the spirit of an agreement was usually reflected in its purpose.

The proposed agreement was aimed at resolving outstanding issues related to pension matters, with a view to securing continuity of pension rights of citizens of the Russian Federation. Thus, the purpose and spirit of the proposed agreement were fully consistent with international law since they had no bearing on the rights or obligations of third States.

69. In response to the question as to whether the Fund still continued to recognize that the Russian Federation was fully responsible for the comprehensive resolution of the problems that had arisen from the implementation of all three Transfer Agreements and that it should return the appropriate sum of money to the Fund in that connection, he said that it had always been the Board's position, endorsed by the General Assembly, that the Fund had no outstanding obligations with respect to transfers made under the three Transfer Agreements. Under the mandate from the Board, the Secretary and his staff had participated in the search for solutions to the problems that would not incur additional costs to the Fund. The Russian Federation had assumed responsibility for the rights and obligations of the former USSR under the Charter of the United Nations. Questions related to the applicability of those obligations to the sums remitted by the Fund to the former Social Security Fund of the USSR should be resolved by the Member States concerned. It would clearly be inappropriate for the Board or its Secretary to become involved in such an inter-State matter. The Fund could only assist in implementing agreed arrangements for full or partial restoration of pension rights to the extent that the required monies for that purpose were remitted to the Fund.

70. The representative of Ukraine had also requested information about a number of former participants in the Fund who were not citizens of the Russian Federation and in which Member States they resided, and had asked about the decision whereby four Russian citizens who had transferred their pension rights under the Transfer Agreement between the Board and the former Ukrainian SSR were covered by the proposed agreement with the Russian Federation. There appeared to be some misunderstanding in that connection. The four persons in question had transferred their entitlements under the Transfer Agreement with the former USSR and the proposed new agreement with the Russian Federation covered only transfers made under that Transfer Agreement. The list of transferees covered by the proposed agreement had not yet been finalized. The Fund had so far identified 349 Russian citizens, as well as 8 transferees from Belarus, 27 from Ukraine and 5 from other countries that had been part of the former USSR. The Fund was still examining the situation of the 44 remaining former participants who had transferred under the three Agreements with at least five years of contributory service in the Fund.

71. As stated in paragraph 246 of its report, the Board wished to convey to the General Assembly the importance it attached to similar agreements being reached with other Member States whose citizens had transferred their pension entitlements under any of the three Transfer Agreements concerned. The Board recognized that financial arrangements with regard to the actuarial costs of such agreements should be pursued further by the States concerned and had asked the Secretary to continue his efforts to achieve a comprehensive solution relating to the claims of those former participants from the countries concerned who were not covered by the proposed agreement. The secretariat of the Fund remained ready to do all it could to assist in that endeavour.

72. Mr BOGAYEVSKIY (Ukraine) thanked the Secretary of the Pension Board for his statement, on which his delegation would have additional comments to make. In the meantime, he wished to know the nationalities of the five transferees so far identified by the Fund, to whom the Secretary of the Board had referred in his statement as coming from countries, other than the Russian Federation and Ukraine, that had been part of the former USSR.

73. Mr. GIERI (Secretary, United Nations Joint Staff Pension Board) said that the five transferees comprised one person from each of five States, namely Armenia, Azerbaijan, Kazakstan, Latvia and Lithuania.

AGENDA ITEM 141: REPORT OF THE SECRETARY-GENERAL ON THE ACTIVITIES OF THE OFFICE OF INTERNAL OVERSIGHT SERVICES (continued) (A/50/945, A/50/1004 and A/50/1005; A/51/302, A/51/305, A/51/432, A/51/467, A/51/486 and A/51/530 and Corr.1)

74. Mr. DONCHEV (Bulgaria) said that his delegation considered the activities of the Office of Internal Oversight Services (OIOS) to be innovative, exhaustive and action-oriented and agreed with the commendation of its work expressed by the representative of Ireland on behalf of the European Union. His delegation awaited with interest the further nine reports on exchanging the internal oversight mechanisms for operational funds and programmes.

75. It was gratifying to note that the tangible results achieved by OIOS included direct cost savings and recoveries amounting to $15.8 million, as well as the identification of areas for more cost-effective resource allocations in virtually all departments, field missions and organizations whose activities had been reviewed by the Office. The cumulative result of its recommendations between October 1994 and the end of June 1996 had been impressive, even though short of the ideal target. In that connection, his delegation noted with concern the long list in the appendix to document A/51/432, of significant recommendations that had been forward in the previous report (A/50/459) and on which corrective action had not been completed. His delegation felt that the Committee should be kept regularly informed of the progress and degree of compliance with outstanding OIOS recommendations.

76. An even more important aspect of the work of OIOS was its contribution to the new management culture of performance awareness and the joint responsibility of programme managers and oversight staff for maintaining a system-wide potential for deterring fraud, mismanagement and underperformance. His delegation expected the emerging in-house expertise of OIOS to be extended to the entire United Nations system coordinated by the Joint Inspection Unit (JIU). It believed that the complementary efforts made by JIU, the Board of Auditors and OIOS would produce a positive effect on system-wide procurement and outsourcing practices, the inception and liquidation of peacekeeping missions, and consultancy and the recruitment and separation of staff.

77. His delegation particularly wished to stress the need to provide OIOS with adequate human and financial resources to carry out its important assignments. The inclusion of a separate programme for its activities in the draft medium-term plan underlined once again the importance of the Office and its distinct and independent character within the emerging new management structure of the United Nations Secretariat.

78. Ms. ALMAO (New Zealand) said that the representative of Canada had already made a statement on behalf of her delegation as to the reports of the Under-Secretary-General for Internal Oversight Services. At that time, her delegation had assumed that the report contained in document A/51/486 on the investigation into the seminars organized by the Special Committee on decolonization would not be discussed at the current session. That did not, however, appear to be the case since references to the report had been made by previous speakers. Her delegation therefore also wished to comment on it.

79. Her delegation believed that no United Nations entity should be immune from the requirement to be efficient, effective and economical in its use of scarce resources. It therefore fully supported the role and work of OIOS and deeply appreciated the results it had achieved in the first full year of its operations. However, the report in document A/51/486 seemed to her delegation to have confused the investigative and evaluation functions of the Office. Under the terms of General Assembly resolution 48/218 B, the functions of OIOS were to ascertain whether there had been violations of United Nations regulations or administrative issuances; in the report in question, OIOS had confirmed that no such violations had occurred. Evaluations and inspections by OIOS were expected to consider whether the activities corresponded to legislative mandates and whether they were implemented effectively and efficiently; in that connection, OIOS had determined that the Special Committee had the authority to organize seminars in 1996 and 1997 and the legislative mandate therefore existed. Beyond that, OIOS had no mandate to call in question the actual decisions of intergovernmental bodies.

80. Her delegation had some difficulties with the investigation by OIOS into the seminars organized by the Special Committee on decolonization. The report seemed to focus solely on quantitative criteria rather than on issues of quality. In particular, the report stated that the purpose of the seminars had been undermined by limited attendance from Non-Self-Governing Territories, but it had made no attempt to give the reasons for it. A successful seminar of that kind depended on the active cooperation of three actors: the administering Power, the United Nations and the Territories concerned. If the attendance had been less than optimum it was because important administering Powers did not cooperate with the Special Committee and tended to discourage the participation of representatives from their Territories. The limited attendance was also due to some extent to the limited capacity of the secretariat of the Special Committee and the short notice given of forthcoming seminars, particularly in 1996. The report argued that the seminars were of limited utility because their agenda and recommendations had remained much the same in recent years. She pointed out that the same could equally well be said of the General Assembly. Such a quantitative approach did not take into account the nuanced character of many multilateral negotiations.

81. Her own country's experience with the seminars, and particularly with the one most recently held in Papua New Guinea, had been very positive. Her Government did not believe the seminars to be frivolous exercises, although it did acknowledge that the major work of decolonization was now over. Her delegation was convinced that there was still a need to find new, innovative and pragmatic solutions to assist the Non-Self-Governing-Territories in determining their political future. The seminars were a useful mechanism for promoting that process, throwing light on options other than independence and the status quo

which might better suit the needs of the peoples of the Territories. To achieve that, there must be an active dialogue involving all parties, both at the United Nations and in the field, so that they could ascertain the views and wishes of the people of the Territories in a democratic way.

82. Regional seminars were not the full answer to such problems, but they did assist. They could be improved: better preparation and a revised format, participation by specialized experts and perhaps more focused agendas on outcomes would also be beneficial. What her delegation could not accept was the implication that the seminars were a redundant anachronism. The post-cold-war agenda for decolonization might be over, but the results of colonization were still a matter of concern.

83. As the representative of Tokelau, a small atoll in the Pacific for which her country was the administering power, had recently told the Special Committee, decolonization might seem at times to be abstract exercise, but for those Territories that had yet to make an act of self-discrimination, their future was dependent on their collective ability to find the right answers.

84. Mr. Byong Hyun LEE (Republic of Korea) said that the Office of Internal Oversight Services had provided valuable support to the Secretary-General with regard to monitoring, internal audit, inspection and evaluation, and investigation. His delegation had been particularly impressed by the preparation and implementation of the audit plan and the ongoing management training courses and attached particular importance to the client-oriented audit which the Office had advocated as the driving principle underlying its auditing activities.

85. His delegation had been pleased to note that the Under-Secretary-General for Internal Oversight Services was continuing his efforts to ensure coordination between the internal and external oversight bodies. There was a continuing need for a constructive and productive relationship between OIOS and the Board of Auditors, and also between OIOS and JIU.

86. Oversight activities had continued to focus on peacekeeping operations, humanitarian and related activities and on the general problem of procurement. His delegation shared the view of the Under-Secretary-General for Internal Oversight Services that the work of OIOS was part of the ongoing reform of the United Nations and it hoped that the work could be expanded to cover the question of reform, including evaluation of the Secretariat's work, in a more comprehensive manner.

87. His delegation associated itself with the position of the Group of 77 and China, but had some additional comments to make. In particular, his delegation welcomed the fact that programme managers were required to implement final OIOS recommendations fully and to report at quarterly intervals on the status of implementation. It was, however, concerned that the Office had been faced with attempts to delay or discredit its work. OIOS would only be taken seriously by the Secretariat as a deterrent, as well as proactive corporate element, if the results of its activities were also taken seriously.

88. His delegation applauded the activities of the Audit and Management Consulting Division in identifying almost $12 million in potential recoveries

and savings, resulting in actual savings of almost $9 million, but it was deeply concerned about the continuing irregularities, mismanagement and wasteful expenditures within the United Nations in particular the inadequacies in procurement planning and processes.

89. His delegation was satisfied to note that OIOS had commended the efforts of the Office of the United Nations High Commissioner for Refugees (UNHCR) and the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) and wished to place on record its appreciation of the commitment and dedication of the UNRWA area staff and of the Agency's adaptation to changing circumstances. Recognition by OIOS of good performance was not only beneficial to the morale of staff members but also served to encourage the continuation of good work in the future.

90. The rapid structuring of OIOS under the leadership of the Under-Secretary-General was to be commended, particularly in view of the staffing difficulties resulting from budget cuts. Like other bodies, OIOS should closely monitor its resources and make every effort to utilize them as effectively as possible. In that connection, his delegation wished to hear the views of the Under-Secretary-General on the contribution made by the Member States to the work of his Office by seconding their professionals on a temporary and cost-free basis.

91. Since the establishment of OIOS was one of the most meaningful initiatives taken by the General Assembly in the context of the reform of the United Nations, his delegation wished to associate itself with other delegations which had spoken in favour of the assumption by OIOS of a proactive role in order to reflect the expectations of Member States.

92. Mr. PASCHKE (Under-Secretary-General for Internal Oversight Services) said that he had prepared a statement in response to the many questions that had been raised and wondered whether, in view of the shortness of time, and subject to the agreement of the Chairman, interested delegations might prefer to read his statement.

93. Ms. OSODE (Liberia) regretted that she had not been present when questions had been put to the Under-Secretary-General for Internal Oversight Services. Her delegation had been concerned by an article that had appeared in the press and had been covered in a BBC broadcast towards the end of October 1996 concerning some supposed irregularities involving the Acting Chief of Administration in Arusha who had been accused of undermining and delaying the work of the International Criminal Tribunal for Rwanda. The official concerned was a Liberian who had been working for the Organization for many years with great integrity and tact. It appeared that the Under-Secretary-General for Internal Oversight Services had made some observations concerning fraud and irregularities in connection with the official concerned and her delegation would therefore welcome some clarification on the matter.

94. The CHAIRMAN said that, in the circumstances, it might be better for the Under-Secretary-General for Internal Oversight Services to respond to that question and to the other questions that had been put at the following meeting.

The meeting rose at 1.10 p.m.